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S. 1413

IN THE SENATE OF THE UNITED STATES

MARCH 23, 1953

Mr. MAYBANK (for himself and Mr. CAPEHART) introduced the following bill;
which was read twice and referred to the Committee on Banking and
Currency

A BILL

To amend the Export-Import Bank Act of 1945, as amended.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That section 2 of the Export-Import Bank Act of 1945, as

4 amended, is hereby amended by inserting the following as

5 subsection (c) :

6 “(c) (1) The Export-Import Bank of Washington is

7 further authorized, in the manner and to the extent herein

8 specified, to provide insurance in an aggregate amount not

9 in excess of \$100,000,000 outstanding at any one time for

10 the benefit of citizens of the United States, including corpora-

11 tions, partnerships, and associations organized and existing

12 under the laws of the United States or any State, district,

1 Territory, or possession thereof, against the risks of loss of
2 or damage to tangible personal property of United States
3 origin which is exported from the United States in commer-
4 cial intercourse and is in transit to or located in any friendly
5 foreign country, to the extent that such loss or damage results
6 from hostile or warlike action in time of peace or war, in-
7 cluding civil war, revolution, rebellion, insurrection, or civil
8 strife arising therefrom, or from an order of any government
9 or public authority confiscating, expropriating, or requisition-
10 ing such property and to the extent that such property is
11 owned in whole or in part by the assured or constitutes
12 security for financial obligations owed to the assured.

13 “(2) Insurance may be provided pursuant to this sub-
14 section only to the extent that it cannot be obtained on
15 reasonable terms and conditions from companies authorized
16 to do an insurance business in any State of the United States
17 and to the extent that it cannot be obtained from any agency
18 of the United States Government providing marine or air
19 war-risk insurance.

20 “(3) In providing insurance pursuant to this subsection,
21 the Bank may reinsure in whole or in part any company au-
22 thorized to do an insurance business in any State of the
23 United States or may employ any such company or group
24 of companies to act as its underwriting agent in the issuance

1 of such insurance and the adjustment of claims arising
2 thereunder.

3 “(4) Subject to the limitations herein provided, the
4 Bank shall from time to time determine the terms and
5 conditions under which it will provide insurance pursuant
6 to this subsection: *Provided, however,* That such insurance
7 shall be based, insofar as practicable, upon consideration of
8 the risk involved: *And provided further,* That the term of
9 coverage of any such insurance shall not exceed one year,
10 subject to renewal or extension from time to time for periods
11 of not exceeding one year as may be determined by the
12 Bank.”

13 SEC. 2. Section 7 of the Export-Import Bank Act of
14 1945, as amended, is amended by substituting in lieu of the
15 words “loans and guaranties” the words “loans, guaranties,
16 and insurance”.

A BILL

To amend the Export-Import Bank Act of 1945,
as amended.

By Mr. MAYBANK and Mr. CAPENART

MARCH 23, 1953

Read twice and referred to the Committee on
Banking and Currency

83D CONGRESS
1ST SESSION

H. R. 4465

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1953

Mr. WELCOTT introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Export-Import Bank Act of 1945, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Export-Import Bank Act of 1945,
4 as amended, is hereby amended by inserting the following
5 as subsection (c) :

6 “(c) (1) The Export-Import Bank of Washington
7 is further authorized, in the manner and to the extent herein
8 specified, to provide insurance in an aggregate amount not in
9 excess of \$100,000,000 outstanding at any one time for the
10 benefit of citizens of the United States, including corpora-
11 tions, partnerships, and associations organized and existing
12 under the laws of the United States or any State, district,

1 Territory, or possession thereof, against the risks of loss of
2 or damage to tangible personal property of United States
3 origin which is exported from the United States in com-
4 mercial intercourse and is in transit to or located in any
5 friendly foreign country, to the extent that such loss or
6 damage results from hostile or warlike action in time of peace
7 or war, including civil war, revolution, rebellion, insurrec-
8 tion, or civil strife arising therefrom, or from an order of
9 any government or public authority confiscating, expro-
10 priating or requisitioning such property and to the extent
11 that such property is owned in whole or in part by the
12 assured or constitutes security for financial obligations owed
13 to the assured.

14 “(2) Insurance may be provided pursuant to this sub-
15 section only to the extent that it cannot be obtained on rea-
16 sonable terms and conditions from companies authorized to
17 do an insurance business in any State of the United States
18 and to the extent that it cannot be obtained from any agency
19 of the United States Government providing marine or air
20 war-risk insurance.

21 “(3) In providing insurance pursuant to this subsection,
22 the Bank may reinsure in whole or in part any company
23 authorized to do an insurance business in any State of the
24 United States or may employ any such company or group

1 of companies to act as its underwriting agent in the issuance
2 of such insurance and the adjustment of claims arising
3 thereunder.

4 “(4) Subject to the limitations herein provided, the
5 Bank shall from time to time determine the terms and con-
6 ditions under which it will provide insurance pursuant to
7 this subsection: *Provided, however,* That such insurance
8 shall be based, insofar as practicable, upon consideration of
9 the risk involved: *And provided further,* That the term of
10 coverage of any such insurance shall not exceed one year,
11 subject to renewal or extension from time to time for pe-
12 riods of not exceeding one year as may be determined by
13 the Bank.”

14 SEC. 2. Section 7 of the Export-Import Bank Act of
15 1945, as amended, is amended by substituting in lieu of
16 the words “loans and guaranties” the words “loans, guaran-
17 ties, and insurance”.

A BILL

To amend the Export-Import Bank Act of 1945,
as amended.

By Mr. WOLCOTT

APRIL 2, 1953

Referred to the Committee on Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 24, 1953
For actions of April 23, 1953
83rd-1st, No. 72

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HIGHLIGHTS: House Rules Committee cleared Md. tobacco price supports bill. House committee reported Interior appropriation bill. House committee voted to report insurance bill for cotton exports. Senate committee voted to report bills to study Government organization and intergovernmental relations.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported the Interior Department appropriation bill for 1954, H. R. 4828 (H. Rept. 314)(p. 3777). The bill contains \$404,863,239, which is \$202,473,161 less than the budget estimates and \$137,874,262 less than the 1953 appropriations. (For excerpts from committee report, see end of this Digest.)
Rep. Rogers, Mass., said the Appropriations Committee makes too many decisions on legislative matters (p. 3744).
2. TOBACCO PRICE SUPPORTS. The Rules Committee reported a resolution for consideration of H. R. 1432, to provide for price supports on the 1952 crop of Maryland tobacco (p. 3781). It is expected that the bill will be debated today, April 24 (p. D311).
3. RENT CONTROL. Passed, 187-66, H. R. 4507, to amend the Housing and Rent Act of 1947, after adopting a committee substitute which provides for extending general rent control for 90 days (to July 31, 1953) and, in areas found by the President to be critical, providing for rent control until April 30, 1954 (pp. 3744-76).
4. COTTON EXPORTS. The Banking and Currency Committee ordered reported (but did not actually report) H. R. 4465, to amend the Export-Import Bank Act by authorizing war-risk insurance on exportation of cotton, etc. (p. D311).
5. IMMIGRATION. Both Houses received the President's message recommending authority for emergency immigration of 120,000 persons a year for the next 2 years; to Judiciary Committees (pp. 3743, 3806).
6. COST-OF-LIVING ALLOWANCES. Received from the Commerce Department a proposed bill to permit payment of certain cost-of-living allowances outside continental U. S. at rates in excess of 25% of the rate of basic pay; to Post Office and Civil Service Committee (p. 3793).

7. FLOOD CONTROL. Passed without amendment H. R. 4025, to authorize appropriation of \$75,000,000 for Army flood-control projects in the Columbia Basin (pp. 3781-91).
8. TAXATION. Rep. Reece, Tenn., recommended additional investigation of tax-exempt foundations (pp. 3776-7).
9. ADMINISTRATION. Rep. McCarthy criticized several department heads, including Secretary Benson (p. 3744).

SENATE

10. SUBMERGED LANDS. Continued debate on S. J. Res. 13, to establish State title to submerged lands, and rejected a motion to set it aside temporarily to take up S. 1081, authorizing temporary economic controls (pp. 3795-806, 3814-65).
11. ORGANIZATION. The Government Operations Committee ordered favorably reported (but did not actually report) S. 1514, to establish a Commission on Governmental Functions and Fiscal Resources, and S. 106, to establish a Commission on Organization of the Executive Branch (p. D309).
12. FLOOD CONTROL. The Public Works Committee ordered favorably reported with clarifying amendments (but did not actually report) S. 261, consenting to the Connecticut River Flood Control Compact (p. D310).
13. ST. LAWRENCE SEAWAY. Sen. Wiley inserted a Milwaukee County Board of Supervisors resolution recommending this project (pp. 3806-7).
14. FORESTRY; CONSERVATION. Sen. Kilgore inserted a Washington Post article, "Tidelands Issue Linked to All Natural Resources," which included a reference to forest resources and the gains made in conservation since 1934 (pp. 3831-2).
15. LAND MANAGEMENT. Sen. Dworshak inserted an Intermountain and Alameda Enterprise editorial praising the choice of Edward Woolley as the new Director of the Bureau of Land Management (p. 3830).
16. ELECTRIFICATION. Sens. Goldwater and Jackson discussed Federal power projects in the Northwest, and their basis for power pricing (pp. 3867-8).

BILLS INTRODUCED

17. FOREIGN TRADE. H. R. 4818, by Rep. Berry, to amend the Tariff Act so as to impose equalization duties upon imports of certain agricultural commodities and minerals, based upon their parity prices; to Ways and Means Committee (p. 3793).
S. 1739, by Sen. Capehart, to provide for continuation of authority for regulation of exports; to Banking and Currency Committee (p. 3807).
18. TAXATION. S. 1745, by Sen. Kefauver, to provide that the sale or exchange of livestock held for draft, breeding, or dairy purposes necessitated by drought conditions shall be treated as an involuntary conversion for income-tax purposes; to Finance Committee (p. 3808).

ITEMS IN APPENDIX

19. APPROPRIATIONS. Speech in the House by Rep. Whitten explaining why cotton-acreage measurement funds were excluded from the 3rd supplemental appropriation bill and urging increased authorization for rural-telephone loans (pp. A2249-50).

Dalles Reservoirs, and the Willamette River bank protection project.

H. Res. 208, the rule making in order the consideration of H. R. 4025, was adopted earlier. Pages 3781-3791

Program for Friday: Adjourned at 3:59 p. m. until Friday, April 24, at 12 o'clock noon, when the House will consider H. R. 1432, to provide price support for the 1952 crop of Maryland tobacco.

Committee Meetings

AGRICULTURAL CREDIT

Committee on Agriculture: Continued hearings regarding agricultural credit in general. Witnesses appearing were Floyd E. Lull, president, Smith County State Bank, representing Kansas Bankers' Association, who stated that the farmers in his area and other areas in Kansas were in rather prosperous circumstances, and that, to date, they seemed to get along nicely with the help of the banks and other agencies insofar as credit is concerned. Lloyd Godley, farmer, Osceola, Ark., urged the committee to give long and careful consideration to any plan or any law that might be put into effect to supersede the present system of 90 percent support prices on cotton, together with acreage allotment. Stated that such a program, over a 5-year period, could control production to meet the domestic and export demand, and build a program without a burdensome surplus. Boswell Stevens, president, Mississippi Farm Bureau Federation, Jackson, Miss., gave a full report on credit facilities available to farmers in Mississippi; Fred J. Nutter, commissioner of agriculture, Maine, suggested combining of credit agencies; and R. Edward Baur, farmer, Iowa, discussed farmers' need for credit in connection with soil-conservation practices. Hearings will be continued tomorrow.

DOCTOR'S DRAFT

Committee on Armed Services: Resumed hearings on H. R. 4495, to amend the Universal Military Training Act so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories. The measure would extend the present statute for 2 years until July 1, 1955. Testimony was received today from the following representatives of the National Medical Veterans Society—Drs. William B. Walsh, J. L. Ludwig, Henry S. Blake, Robert Green, and I. Roy Gold. Other witnesses to testify were Dr. J. Claud Ernest, who was accompanied by B. J. Conway, representing the American Dental Association; Dr. Charles B. Cook, of the Boston Lying-In Hospital, representing the Massachusetts Medical Society; J. Harold Sherk, Mennonite Central Committee; Col. Charles M. Boyer, executive director of the Reserve Officers Association; Dr. Carl Sherk, Lebanon, Pa., representing a group of doctors listed under priority II; and Brig. Gen. J. A. McCallam (U. S. Army, retired),

representing the American Veterinary Association. Hearings will be continued tomorrow morning.

EXPORT INSURANCE

Committee on Banking and Currency: Ordered reported to the House H. R. 4465, to amend the Export-Import Bank Act of 1945, by authorizing the bank to utilize up to \$100 million of its existing lending authority to provide a limited type of insurance to American exporters.

TAFT-HARTLEY LAW

Committee on Education and Labor: At today's hearings regarding proposed amendments and revisions to the Labor-Management Relations Act, the committee heard requests to prohibit any form of compulsory unionism, and a strengthening of the provisions banning secondary boycotts. The witnesses were Lawrence J. Reilly, president, Reilly Cartage Co., Milwaukee, Wis., and Ross E. Thoreson, manager, Industrial Relations Council of Utah. Hearings will be continued tomorrow.

FAR EAST

Committee on Foreign Affairs: Heard a verbal report from members of the Special Study Mission to the Far East, consisting of Chairman Merrow, and Representatives Judd, Carnahan, and Zablocki. The report was made in an executive session.

DONABLE SURPLUS PROPERTY

Committee on Government Operations: The Harden Subcommittee on Intergovernmental Operations resumed hearings in connection with its study of surplus property acquired by State educational and health agencies. Chester B. Lund, Director of Field Services in the newly created Department of Health, Education, and Welfare, discussed the present program and the Department's proposals and recommendations regarding its continuation; William A. Farrell, president of the National Association of State Agencies for Surplus Property, furnished the viewpoint of the various State agencies, and the need of continuing the program; and Rear Adm. M. L. Ring, Vice Chairman of Supply Management, Munitions Board, presented the military's position in the operation of donable school surplus and the problems of its various holding agencies. This probe which is being made into the surplus property which was donated to State institutions and to local governments in 21 States, pursuant to laws passed in the 81st Congress, began last Monday when the subcommittee heard the report furnished by the Investigations Office of the GAO. Hearings will be continued tomorrow.

INDIANS

Committee on Interior and Insular Affairs: The Subcommittee on Indian Affairs considered H. R. 303 and 1057, to transfer the administration of health services for Indians and the operation of Indian hospitals to the U. S. Public Health Service, now under the Department of Interior and the Bureau of Indian Affairs. Testimony

favoring enactment of these proposals was presented by Representative Judd (author of H. R. 303); Representative Patten (author of H. R. 1057); Dr. Albert J. Chesley, Minnesota State Department of Health; and Dr. Fred Foard, North Carolina Department of Health. Will continue on same legislation tomorrow.

TRIP LEASING

Committee on Interstate and Foreign Commerce: Resumed public hearings on H. R. 3203, a bill which would amend the Interstate and Foreign Commerce Act in order to prohibit the Interstate Commerce Commission from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use. One witness, H. W. Speyer, representing motor carriers, of Indianapolis, Ind., spoke in favor of the bill, while the following witnesses were heard in opposition—W. R. Scott, executive vice president, board of trade, Kansas City, Mo.; Maurice Rudow, general traffic manager, Wilson Truck System, Sioux Falls, S. Dak.; P. M. Greenberg, vice president, Werner Transportation Co., Chicago, Ill.; John J. Lane, vice president, Associated Transport, Inc.; Michael L. Adley, treasurer, Adley Express Co., Inc., New Haven, Conn.; Burton K. Wheeler, attorney, of Wheeler & Wheeler, Washington, D. C.; Frank L. Tobin, research director, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America; Albert Evans, general organizer, International Brotherhood of Teamsters, University Heights, Ohio; Fred William Hendra, Jr., Cleveland, Ohio; and Ralph Nordan, local No. 557, Teamsters Union, Baltimore, Md. Statements for the record were filed by Representative Krueger, of North Dakota; Earl Girrard, Chicago Suburban Motor Carriers Conference, Morton Grove, Ill.; while a combined statement was filed by J. T. Corbett, Brotherhood of Locomotive Engineers; J. A. McBride, Brotherhood of Locomotive Firemen and Engineers; W. D. Johnson, Order of Railway Conductors; and Harry See, Brotherhood of Railroad Trainmen. Hearing will be continued tomorrow.

JUSTICE DEPARTMENT

Committee on the Judiciary: The Keating special subcommittee conducted another executive session in connection with its study of the administration of the Department of Justice. Will resume on the same subject tomorrow.

COMMITTEE MEETINGS FOR FRIDAY, APRIL 24

(All meetings are open unless otherwise designated)

Senate

Committee on Agriculture and Forestry, on agricultural exports and imports and their effect on farm price programs, with

NATIONAL HIGHWAY STUDY

Committee on Public Works: McGregor Subcommittee on Roads held another in its series of public hearings relative to making an overall study of modernization of national highways and highway administrative machinery. Witnesses testifying today were S. G. Tipton, of the Air Transport Association of America; and J. T. Sanders, legislative representative, National Grange. Committee recessed until Tuesday, April 28.

MARYLAND TOBACCO CROP

Committee on Rules: Granted an open rule providing 2 hours of general debate on H. R. 1432, providing price support for the 1952 crop of Maryland tobacco.

COMMUNISM IN EDUCATION

Committee on Un-American Activities: Questioned Dr. Norman Levinson, a professor at the Massachusetts Institute of Technology, who admitted to an 8-year membership in the Communist Party between 1937 and 1945. He also named others who were associated with the same Red cell in that period. Also questioned Arthur L. Levy and Mrs. Theodora Goldstein, both of Boston, Mass. Levy refused to answer counsel's question as to whether he was now, or has been, a member of the Communist Party, relying on the fifth amendment for his immunity. Mrs. Goldstein also refused to answer the same questions on the same grounds. She admitted to being called Teddy by her friends, but refused to state whether she was the Teddy referred to by Herbert A. Philbrick in his testimony before the committee in July 1951. At that hearing he said that a woman known only as Teddy was in a professional Communist group to which he was assigned, and identified her as doing party work with a group known as the Progressive Citizens of America. Adjourned subject to call of the Chair.

INTERNAL REVENUE—GRUNEWALD

Committee on Ways and Means: The Kean subcommittee resumed cross-examination of Henry W. Grunewald, Washington, D. C., public relations man, as it continued its investigation of alleged irregularities in the administration of the Bureau of Internal Revenue, and other purported charges of influence and political interventions. Grunewald has been under questioning in connection with his activities while representing various firms and people in tax adjustment cases. The same witness will return tomorrow morning for further questioning.

representatives of Agriculture Department and others, 10 a. m., 324 Senate Office Building.

Committee on Appropriations, Subcommittee on Labor-HEW, 10 a. m., room F-82, Capitol; Subcommittee on Agriculture, 10 a. m. and 2 p. m., room F-39, Capitol; subcommittee, on H. R. 4663, independent offices, 10 a. m. and 2 p. m., 212 Senate Office Building; Subcommittee on State, Justice, Com-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

April 28, 1953
April 27, 1953
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HIGHLIGHTS: House passed daylight-savings time bill and Senate concurred in amendment. House debated Interior appropriation bill. Senate committee reported insurance bill for cotton exports. Sen. Monroney criticized USDA officials for statements regarding "marginal" farmers. Rep. Hope introduced bill to provide soil-conservation aids. Sen. Humphrey introduced and discussed, and Rep. Celler introduced, bills to provide food aid to Pakistan.

HOUSE

1. **INTERIOR APPROPRIATION BILL, 1954.** Began debate on this bill, H. R. 4828, concluding general debate and beginning the reading of the bill for amendment (pp. 4053-81). A considerable part of the debate related to electricity-transmission lines and reclamation. Rep. Jensen inserted the full text of the committee report on the bill (pp. 4053-64).
2. **DAYLIGHT-SAVING TIME.** Passed S. 1419, the daylight-saving time bill. Agreed, 250-99, to a Heselton amendment authorizing the D. C. Commissioners to establish such time in D. C. for 1953 and also for future years. (pp. 4046-7.) The Senate concurred in the House amendment (p. 4175). This bill will now be sent to the President.
3. **INTEREST RATES.** Rep. Patman deplored increases in interest rates (pp. 4081-4).

SENATE

4. **SUBMERGED LANDS.** Continued debate on S. J. Res. 13, to establish State title to submerged lands. Adopted, 56-33, a Taft motion to table the Anderson amendment specifying Federal ownership of these lands. Prior to this action, the Anderson amendment had been modified by a Hill amendment providing that money received under the bill be spent for defense and education. (pp. 4107-42, 4145-74).
5. **MARGINAL FARMERS.** Sen. Monroney criticized statements by USDA officials regarding the effect of "marginal" farmers on agriculture (pp. 4113-4).
6. **COTTON EXPORTS.** The Banking and Currency Committee reported with amendment S. 1413, to amend the Export-Import Bank Act so as to provide for war-risk insurance for inventories of American cotton, etc., in foreign countries (S. Rept.

169)(p. 4089).

7. EXPORT CONTROL. The Banking and Currency Committee ordered reported (but did not actually report) S. 1739, to continue authority for export control, with an amendment limiting its duration to 3 years (p. D324).
8. FOREIGN TRADE. The Banking and Currency Committee ordered reported (but did not actually report) S. Res. 25, providing for an investigation of means to expand foreign investment and trade, with an amendment providing for \$150,000 for this purpose (p. D324).
9. ECONOMIC CONTROLS. The Banking and Currency Committee announced its approval of an amendment to S. 1081 (now pending on Senate calendar), which amendment provides that consumer credit and real-estate controls may be invoked only in event of a 90-day freeze on prices, wages, and rents (p. D324).
10. 4-H CLUBS. Sen. Frear inserted a Delaware General Assembly resolution praising the accomplishments of 4-H clubs in Del. (pp. 4087-8).
11. IMPORT CONTROLS. Sen. Martin inserted a Pa. Legislature resolution memorializing Congress to provide for adequate tariffs and other import controls to prevent lowering of our standard of living, etc. (p. 4088).
12. PRICE CONTROLS: IMPORTS. Sen. Dworshak inserted Idaho Cattlemen's Assn. resolutions opposing price supports for their product, standby controls legislation, and importing products on terms which would endanger the American stockman (p. 4088).
13. ELECTRIFICATION. Sen. Humphrey inserted a Swift County (Minn.) Farmers Union resolution supporting Federal construction of electric power-transmission lines from hydro-electric plants on the Missouri River to N. Dak., S. Dak., Minn., and Iowa (p. 4088).
14. ST. LAWRENCE SEAWAY. Sen. Humphrey inserted a Duluth News-Tribune editorial favoring this project (p. 4105).

BILLS INTRODUCED

15. FOREIGN AID. S. 1782, by Sen. Humphrey, and H. R. 4872, by Rep. Celler, to furnish emergency food aid to Pakistan; to S. Foreign Relations Committee and H. Foreign Affairs Committee (pp. 4084, 4102). Remarks of Sen. Humphrey (pp. 4102-3.)
16. SMALL BUSINESS. S. 1771, by Sen. Frear, to authorize creation of small business insurance and investment corporations; to Banking and Currency Committee (p. 4102).
17. CIVIL ACTIONS. S. 1773, by Sen. Butler, to amend section 1402 (a) of title 28 of the U. S. Code relating to the venue of civil actions against the U. S., to Judiciary Committee (p. 4102).
18. PERSONNEL. S. 1780, by Sen. Johnston (S. C.), to amend the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 4102).
19. TRADE AGREEMENTS. H. R. 4876, by Rep. Hope, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended; to Ways and Means Committee (p. 4084).

EXPORT INSURANCE

APRIL 27 (legislative day, APRIL 6), 1953.—Ordered to be printed

Mr. BUSH, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 1413]

The Committee on Banking and Currency, to whom was referred the bill (S. 1413) to amend the Export-Import Bank Act of 1945, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

GENERAL STATEMENT

This bill would amend the Export-Import Bank Act of 1945, as amended, by broadening the authority of the bank to include certain insurance operations. It authorizes the bank to insure, against certain specified risks, tangible personal property of United States origin which is exported from the United States in commercial intercourse and is located in any friendly foreign country, to the extent that such property is owned in whole or in part by citizens of the United States, or constitutes security for financial obligations owed to citizens of the United States. Coverage would be limited to loss or damage resulting from hostile or warlike action in time of peace or war, or from an order of any government or public authority confiscating, expropriating, or requisitioning such property. The total amount of insurance outstanding at any one time could not exceed \$100 million. Insurance by the bank would be provided only to the extent that it could not be obtained on reasonable terms and conditions from commercial insurance firms or from any United States Government agency providing marine or air-risk insurance. The bank is authorized to reinsure in whole or in part with commercial insurance companies and to employ such companies to act as its underwriters or for claim adjustment.

The requirement for this insurance arises from the fact that war-risk coverage can be obtained today from private insurance companies on cargoes shipped abroad, while the cargoes are en route to foreign ports,

but not after the goods have been discharged at the foreign port of destination. The insurance provided by the bill would cover risks which commercial insurance companies are not presently in a position to underwrite, except at rates which would be prohibitive. Thus the provisions of the bill pose no threat to commercial insurance companies and the Government is not engaging in competition with private insurance firms.

Your committee believes that this bill is one step that can be taken in helping to relieve our export problem. This complicated problem is certainly not resolved solely by the provisions of this bill, but certain factors tending to restrict foreign consumption of American products will be alleviated by its passage.

Both agricultural and nonagricultural products are included in the coverage of the bill. The protection is provided on a nondiscriminatory basis for the benefit of the businessmen of our country exporting manufactured items as well as those distributing agricultural products abroad.

The export situation that faces our agricultural commodities points up the necessity for the stimulation to foreign trade provided in this bill. For the first half of the 1952-53 fiscal year, cotton exports dropped to 1.5 million running bales from the 3.0 million bales shipped in the same period the preceding year. Wheat exports fell to 158 million bushels from 220 million bushels. Shipments of leaf tobacco declined to 223 million pounds from 355 million pounds. During the years 1949 through 1951, our exports of cotton averaged 38 percent of production, wheat exports accounted for 37 percent, and tobacco exports accounted for 26 percent. These three commodities, cotton, wheat, and tobacco, account on the average for about two-thirds of the dollar value of all agricultural exports. Your committee is well aware that dollar shortages in the importing countries account in large measure for this drastic drop in exports.

The effect of this type of insurance in furthering exports can be illustrated with cotton. Stocks of American cotton in foreign countries are much less than adequate and are thousands of bales below the normal prewar stock. It is estimated that it would require over a million bales of American cotton to build foreign pipeline stocks, mill and merchant, to a level considered adequate and desirable by foreign mills. Foreign mills are unable to provide themselves with adequate stocks because of (1) dollar shortages, and (2) the fear of inventory depreciation in case of declining prices. There are no future exchanges operating outside of this country on which American cotton can satisfactorily be hedged, and foreigners generally do not have the dollars required to carry on hedging operations in this country. Many foreign mills took tremendous inventory losses during the last 2 years when market prices tumbled after having been bid up by scare buying immediately following the outbreak of the Korean war. These losses seriously impaired their operating capital and forced many to restrict their buying to a hand-to-mouth basis. Merchandising cotton is a most competitive business in which there is a very small margin of profit, averaging perhaps 1 percent on the turnover. Consequently, shippers cannot expose themselves to risks completely beyond their control, and banks are reluctant or unwilling to finance them in assuming such risks. The banks, therefore, insist that they protect themselves in every possible way, adequate insur-

ance being a requisite. With the insurance protection provided by this bill, banks would be favorably disposed toward making loans against foreign shipments. Foreign buyers could be given more favorable terms of purchase and the export of American cotton would be stimulated thereby.

By providing insurance against presently uninsurable risks, the depleted pipeline of cotton can be rebuilt and financed by private industry in the United States. The dollar requirements of the cotton-consuming countries will be reduced to the extent that the cost of the pipeline is financed by United States private interests. Building stocks in this manner through the free enterprise system is a preferable alternative to building stocks over the world by Government arrangements through international agreements as has been suggested by many foreign countries.

Not only would the pipelines which require a million bales of cotton be rebuilt, but the consumption of cotton abroad would be stimulated and increased. Adequate stocks of cotton abroad would provide the foreign consumer with selectivity of the type of cotton best suited for his needs. United States cotton under this plan would be available to the mills immediately as they require it. The grading and stapling of cotton is not an exact science, and very often it is difficult for a shipper in this country to receive an order, ship the cotton to a foreign mill, and have the mill satisfied with the shipment. Stocks of American cotton in foreign countries immediately available and subject to personal inspection as to grade would improve the salability of American cotton. Commercial interests in the United States can finance the pipeline stocks of the United States more cheaply than foreign commercial firms because the interest rates prevailing in this country are considerably lower than the 6 to 12 percent rates that prevail abroad. Any reduction in the financing of inventories of American cotton abroad should reduce the ultimate cost of such cotton to consuming mills. This would enable American cotton to compete more successfully with foreign growths, and reduce the tendency to shift to synthetics.

PROVISIONS OF BILL

(1) The Export-Import Bank is authorized to provide insurance in an aggregate amount not to exceed \$100 million outstanding at any one time for the benefit of citizens of the United States against the risk of loss of, or damage to, tangible personal property of United States origin located in any friendly foreign country, resulting from hostile or warlike action in time of peace or war or confiscation or expropriation by public authority. The insurance would be written to cover loss or damage to goods resulting from so-called "war risks" or from official expropriatory action by foreign governments occurring while the American exporter still owns the goods or retains a security interest in them after their arrival abroad. These war risks would include hostile or warlike action arising from civil war or revolutionary activity within friendly nations, as well as military hostilities between the country in which the goods are located and another nation. The risks would not include riots and strikes, as such, except to the extent that these types of civil disorder arose from predominantly military action or from an expropriatory order of a governmental or military

authority. The expropriatory action to be covered by the insurance would have to be taken under color of official authority. The policy of insurance should exclude legitimate seizure or confiscation of goods pursuant to normal health and contraband regulations of the nation in which the goods are located. Also excluded would be any goods that are shipped illegally or in such a manner as to violate currency and monetary and customs regulations of foreign nations.

(2) Insurance may be provided by the Export-Import Bank only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance. Coverage against war risks can be obtained today from private insurance companies on cargoes shipped abroad, while the cargoes are en route to foreign ports. This insurance provides adequate protection for American shippers during peacetime on exported cargoes up to the point of their discharge from ocean carriers at foreign ports. In addition to available private insurance, Public Law No. 763 of the 81st Congress authorizes the Secretary of Commerce to issue war-risk insurance on shipments of cargo; and the Maritime Administration is currently setting up such a program on a standby basis to be activated upon the outbreak of hostilities. The ocean marine underwriters recognize the fact that the United States Government will probably find it necessary to furnish marine-war-risk-insurance facilities in the event of a third world war. Marine-war-risk insurance was made available by the United States Government during World War I and World War II. The bills authorizing such war-risk insurance for cargoes en route were not opposed by American marine-insurance underwriters. It is after the arrival of American cargoes at foreign ports that no protection of the type provided for in the bill is currently or prospectively available, since the Secretary of Commerce is not authorized under the above-mentioned law to provide insurance beyond "in transit" coverage and since private companies are unwilling at the present time to assume these risks on the goods after they are delivered abroad. In the event that private companies are willing to assume these risks on the goods after their arrival on reasonable terms and conditions, the Export-Import Bank will be precluded from offering competing insurance.

(3) The Export-Import Bank may reinsure in whole or in part any private insurance company or may employ such company or group of companies to act as its underwriting agency. This will permit the bank to call upon the facilities of experienced private insurance companies or associations to carry out the program. The bank will probably find it advisable to utilize the services of private insurance companies in administering the insurance program. The compensation which the bank will pay the private companies will probably result in an ultimate cost to the Government less than that which would be incurred if the bank had to assume entire operational responsibility for the program. Of course, in the utilization of the services of private insurance companies, the facilities and services of local insurance agents may be included and should be used to the maximum extent which the bank shall deem practicable and consistent with the objective of providing insurance protection at reason-

able cost. Participation by the insurance companies through the reinsurance provisions would be desirable and it is hoped that the private companies will endeavor to work out such a program with the bank.

(4) The Export-Import Bank shall from time to time determine the terms and conditions under which it will provide insurance. The insurance shall be based, insofar as practicable, upon consideration of the risk involved. The term of coverage is limited to 1 year subject to renewals or extensions from time to time for periods not to exceed 1 year. The bank is empowered to set up the rates charged for this insurance. The program should be established on a self-sustaining basis for normal operations and with rates high enough that a reserve may be accumulated during normal times. It is apparent that any large losses occurring under this program will be concentrated and probably will be such that the accumulated reserve will not be adequate to pay all such losses, and the bank will have to use some or all of the \$100,000,000 funds. If the rate were fixed upon an actuarial basis, it would probably be necessary to charge prohibitive premiums. If this were not true, private insurance companies would be writing such policies. It is doubtful that the risks assumed in insurance of this type can be evaluated at all on the basis of any established actual standards. However, the probable degree of the risk assumed by the Government would not necessarily be the same in all friendly nations. Nor will it probably be the same with respect to all types of goods and commodities. The rate to be charged for the insurance, therefore, can be varied on an equitable if not an actual basis. It also will be possible, within limits, to spread the Government's assumption of risk under the program by avoiding concentrating it in one area. The bank is faced with the problem of setting up rates that make the program as self-sustaining as possible by building up a fund available for payments under claims, but which would not make the insurance so expensive that the objectives of the legislation would be defeated.

Your committee has confidence that the bank will keep the objectives of the bill in mind, together with the necessity of a self-sustained program in establishing rates. Administrative difficulties may arise as a result of the relative broad category of goods eligible for coverage under the proposed insurance and the limited funds available as a reserve. The bank may find it necessary in the operation of the plan, at least in its inception, to limit the coverage made available to those commodities and products of which there is normally an exportable surplus and which require this type of assistance to be exported commercially. Paragraph 4 of subsection (c) as proposed by this bill provides the necessary flexibility.

Section 2 of the bill would amend section 7 of the Export-Import Bank Act which relates to the amount of loans and guaranties that may be outstanding at any one time. It would provide that these limitations shall apply to "loans, guaranties and insurance" instead of only "loans and guaranties" as at present.

AMENDMENT

The bill was amended by your committee by deleting from the new subsection (c) (1) proposed to be added to section 2 of the Export-

Import Bank of 1945, as amended, the words "in transit to or." The bill as originally worded would authorize the Export-Import Bank to insure tangible personal property "in transit to or located in any friendly foreign country." Insofar as it authorizes the bank to provide insurance for goods "in transit to" a foreign country it would parallel coverage available from commercial insurance companies and the Department of Commerce. Duplication would be prevented by the provisions of paragraph (2) of section 2 (c) of the act as proposed to be amended by the bill, but your committee thought it well to eliminate these words so that there could be no possibility of misunderstanding or ambiguity.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED

* * * * *

SEC. 2. * * *

* * * * *

(c) (1) *The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100,000,000 outstanding at any one time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is in transit to or located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any government or public authority confiscating, expropriating, or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured.*

(2) *Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.*

(3) *In providing insurance pursuant to this subsection, the Bank may reinsure in whole or in part any company authorized to do an insurance business in any State of the United States or may employ any such company or group of companies to act as its underwriting agent in the issuance of such insurance and the adjustment of claims arising thereunder.*

(4) *Subject to the limitations herein provided, the Bank shall from time to time determine the terms and conditions under which it will provide insurance pursuant to this subsection: Provided, however, That such insurance shall be based, insofar as practicable, upon consideration of the risk involved: And provided further, That the term of coverage of any such insurance shall not exceed one year, subject to renewal or extension from time to time for periods of not exceeding one year as may be determined by the Bank.*

* * * * *

SEC. 7. The Export-Import Bank of Washington shall not have outstanding at any one time [loans and guaranties] *loans, guaranties, and insurance* in an aggregate amount in excess of three and one-half times the authorized capital stock of the Bank.

S. 1413

[Report No. 169]

IN THE SENATE OF THE UNITED STATES

MARCH 23, 1953

Mr. MAYBANK (for himself and Mr. CAPEHART) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

APRIL 27 (legislative day, APRIL 6), 1953

Reported by Mr. BUSH, with an amendment

[Omit the part struck through]

MAY 7 (legislative day, MAY 6), 1953

Indefinitely postponed

A BILL

To amend the Export-Import Bank Act of 1945, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Export-Import Bank Act of 1945, as
4 amended, is hereby amended by inserting the following as
5 subsection (c) :

6 “(c) (1) The Export-Import Bank of Washington is
7 further authorized, in the manner and to the extent herein
8 specified, to provide insurance in an aggregate amount not
9 in excess of \$100,000,000 outstanding at any one time for
10 the benefit of citizens of the United States, including corpora-
11 tions, partnerships, and associations organized and existing

1 under the laws of the United States or any State, district,
2 Territory, or possession thereof, against the risks of loss of
3 or damage to tangible personal property of United States
4 origin which is exported from the United States in commer-
5 cial intercourse and is ~~in transit to or~~ located in any friendly
6 foreign country, to the extent that such loss or damage results
7 from hostile or warlike action in time of peace or war, in-
8 cluding civil war, revolution, rebellion, insurrection, or civil
9 strife arising therefrom, or from an order of any government
10 or public authority confiscating, expropriating, or requisition-
11 ing such property and to the extent that such property is
12 owned in whole or in part by the assured or constitutes
13 security for financial obligations owed to the assured.

14 “(2) Insurance may be provided pursuant to this sub-
15 section only to the extent that it cannot be obtained on
16 reasonable terms and conditions from companies authorized
17 to do an insurance business in any State of the United States
18 and to the extent that it cannot be obtained from any agency
19 of the United States Government providing marine or air
20 war-risk insurance.

21 “(3) In providing insurance pursuant to this subsection,
22 the Bank may reinsure in whole or in part any company au-
23 thorized to do an insurance business in any State of the
24 United States or may employ any such company or group
25 of companies to act as its underwriting agent in the issuance

1 of such insurance and the adjustment of claims arising
2 thereunder.

3 “(4) Subject to the limitations herein provided, the
4 Bank shall from time to time determine the terms and
5 conditions under which it will provide insurance pursuant
6 to this subsection: *Provided, however,* That such insurance
7 shall be based, insofar as practicable, upon consideration of
8 the risk involved: *And provided further,* That the term of
9 coverage of any such insurance shall not exceed one year,
10 subject to renewal or extension from time to time for periods
11 of not exceeding one year as may be determined by the
12 Bank.”

13 SEC. 2. Section 7 of the Export-Import Bank Act of
14 1945, as amended, is amended by substituting in lieu of the
15 words “loans and guaranties” the words “loans, guaranties,
16 and insurance”.

[Report No. 169]

A BILL

To amend the Export-Import Bank Act of 1945,
as amended.

By Mr. MAYBANK and Mr. CAPENART

MARCH 23, 1953

Read twice and referred to the Committee on
Banking and Currency

APRIL 27 (legislative day, April 6), 1953

Reported with an amendment

MAY 7 (legislative day, May 6), 1953

Indefinitely postponed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

April 29, 1953
April 28, 1953
83rd-1st, No. 76

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HIGHLIGHTS: House passed Interior appropriation bill. House committee reported cotton-exports insurance bill. Rep. Sutton criticized USDA statements on marginal farmers.

HOUSE

1. INTERIOR APPROPRIATION BILL. Passed with amendments this bill, H. R. 4828 (pp. 4178-210). Rejected, 167-212, a motion by Rep. Rayburn to recommit the bill with instructions to restore budget estimates for electrification by the Southwestern Power Administration and the Bonneville Power Administration (pp. 4209-10). Earlier rejected, 133-173, a Rayburn amendment to restore funds for SPA and rejected a Magnuson amendment restoring funds for BPA (pp. 4181-92, 4197-8).
2. COTTON EXPORTS. The Banking and Currency Committee reported without amendment H. R. 4465, to amend the Export-Import Bank Act so as to authorize war-risk insurance for American cotton, etc., which has been exported to foreign countries and is being held for sale (H. Rept. 320)(p. 4213).
3. FARM PROGRAM. Rep. Sutton criticized statements by USDA officials that inefficient farmers should get out of farming (p. 4177).
4. INTEREST RATES. Rep. Patman objected to increases in interest rates (pp. 4211-12).
5. TRADE AGREEMENTS. Rep. Evins spoke in favor of continuing the Reciprocal Trade Agreements Act (p. 4211).
6. ADJOURNED until Thurs., Apr. 30 (p. 4213). Rep. Halleck stated that the leave bill will be considered Thurs. and that debate on the State Department appropriation bill will begin Mon. He said the cotton-exports bill will not be brought up this week.

SENATE

7. SUBMERGED LANDS. Continued debate on S. J. Res. 13, to establish State title to

submerged lands, and agreed to a vote on the bill on May 5 (pp. 4215-16, 4255-99).

8. SMALL BUSINESS. The Select Committee on Small Business submitted a report, "Small Business and Defense Subcontracts" (S. Rept. 206)(p. 4248).

9. IMMIGRATION. Sen. Smith, N. J., spoke in favor of S. 1746, to permit immigration of 240,000 additional persons in 1953 and 1954 (p. 4252).

BILLS INTRODUCED

10. CHEMICALS IN FOODS. H. R. 4901, by Rep. Miller, Nebr., to amend the Federal Food, Drug, and Cosmetic Act by providing for regulation of chemical additives in food; to Interstate and Foreign Commerce Committee (p. 4213).

11. RECLAMATION. H. R. 4903, to amend and supplement the reclamation laws by providing for Federal cooperation in non-Federal irrigation projects; to Interior and Insular Affairs Committee (p. 4213).

ITEMS IN APPENDIX

12. GRAZING LANDS. Rep. Aspinall inserted a Washington Post editorial opposing H. R. 4023, to establish uniform standards for tenancy of national forest grazing lands (p. A2352).

13. ELECTRIFICATION. Rep. Houlder inserted telegrams opposing cuts in SPA by the Appropriations Committee (pp. A2355-6).

14. PRICE SUPPORTS; SOIL CONSERVATION. Rep. Gathings inserted the results of a poll of his district in Ark. indicating favor for 90% price supports and ACP (p. A2358).

15. ST. LAWRENCE SEAWAY; TVA. Sen. Martin inserted newspaper editorials opposing the seaway and favoring sale of TVA plants to private industry (pp. A2364-5).

16. FARM POLICY; FOREIGN AID. Rep. Wilson, Tex., inserted the results of a poll indicating support of Secretary Benson's administration of USDA and favoring continuation of the Point 4 program (p. A2365).

17. TRANSPORTATION. Rep. Wolverton inserted the U. S. Chamber of Commerce's new policy proposals on transportation, to be considered at its annual meeting, including recommendations that the Government pay the same transportation rate as the general public must pay, and that a single Federal transportation agency be established (pp. A2380-1).

18. PERSONNEL. Extension of remarks of Rep. Hillings praising the President's new security program covering Federal employees (p. A2378).

19. ITEM VETO. Rep. Multer inserted his statement before the House Judiciary Committee favoring his bill, H. R. 3640, providing authority for disapproval by the President of specific items in appropriation bills (p. A2379).

COMMITTEE HEARINGS ANNOUNCEMENTS FOR APR. 29: Conservation in general, H. Agriculture (Ferguson, Ext, to testify). USDA appropriations, H. (exec) and S. Appropriations, Cotton-exports insurance, H. Rules. Leave for top officials, H. Rules.

For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Rm. 105A.

AMENDMENT TO EXPORT-IMPORT BANK ACT OF 1945

APRIL 28, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WOLCOTT, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 4465]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 4465) to amend the Export-Import Bank Act of 1945, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

OPERATIONS OF THE EXPORT-IMPORT BANK

Before discussing the provisions of the bill it is of interest to review briefly the operations of the Export-Import Bank of Washington which would be the agency administering the limited insurance authority proposed in the bill.

The purpose of the Export-Import Bank, as laid down by the Congress, is—

to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof

The bank has \$1 billion of authorized capital stock all of which has been subscribed by the United States, and may borrow from the Treasury an aggregate amount outstanding at any one time not exceeding 3½ times its authorized capital stock. The bank may have outstanding at any one time loans and guaranties not in excess of \$4.5 billion. This lending authority is on a revolving fund basis, that is, funds received in repayment of loans may be used by the bank for new operations.

In its more than 18 years of operations the bank has had a remarkably successful experience. To the close of the year ending December

31, 1952, total credits authorized by the bank amounted to \$5.9 billion. As of the same date, loans in default amounted to \$220 thousand, which were fully reserved upon the books of the bank. The accumulated net earnings available as a reserve for any future losses amounted to \$292.4 million. In the fiscal year ending June 30, 1952, the bank had interest earnings of \$70 million. After paying operating expenses of \$1 million, interest on funds borrowed from the United States Treasury of \$17.2 million and a dividend to the Treasury of the United States of \$20 million the bank had a remaining net profit of \$31.8 million which was carried to its earned surplus account.

Of the previously mentioned \$5.9 billion of total credits authorized by the bank throughout the period of its existence, as of December 31, 1952, approximately \$3.9 billion had been disbursed, \$1.4 billion had been repaid, and \$1.1 billion of authorizations had been canceled leaving a balance of loans outstanding of \$2.5 billion. Commitments made but not disbursed totaled \$673 million which when added to loans outstanding brought the total of loans and commitments outstanding as of June 30, 1952, to \$3.2 billion. As of that date the bank had an uncommitted lending authority of \$1.3 billion.

Loans made or guaranteed by the bank are required by statute to be limited to loans which offer reasonable assurance of repayment. In determining rates of interest to be charged on loans the Board of Directors takes into consideration the maturity of the loan, the extent of the risk to be assumed as affected by guaranties offered and prevailing commercial rates of interest. The bank should charge rates of interest on its loans which will cover operating expenses, reflect current cost of Government funds used and leave a balance for accumulation of a reserve for losses by the bank.

The bank is well and favorably known by American exporters. It is well and favorably known by financial institutions which engage in the financing of exports and imports. In accordance with a policy laid down by Congress, the bank does not compete with private capital but rather supplements and encourages it. Under special circumstances, the bank uses the facilities of commercial banks for making funds available to borrowers under lines of credit, receiving payments of interest and principal, and for handling other matters in connection with the extension and collection of credits. Over \$300 million of commercial bank funds have been disbursed in connection with credits authorized by the Export-Import Bank.

In all its operations the bank endeavors to encourage and maintain the widest possible scope for private enterprise in foreign trade. The activities of the bank are confined to dealing with risks of a type which are either beyond the scope of private capital or which private capital is not prepared to assume without Government assistance. As a matter of policy the bank's credits are extended primarily for the purpose of facilitating exports of goods the sale of which involves relatively extended terms of credit and which will serve to increase the productive capacities of foreign countries or otherwise to promote continuing and mutually profitable trade. While most credits relate to the purchase of United States machinery and equipment the bank has issued many specific credits to assist the sale abroad of American agricultural production. During the fiscal year ending June 30, 1952, the bank authorized credits for the purchase of American cotton in the amount of \$173

million, and American tobacco in the amount of \$10 million. The cotton credits were used by the textile industries of foreign nations in Europe, Latin America, and the Far East. The tobacco credit was extended for the purchase of United States tobacco by the Federal Republic of Germany. These credits typically are of relatively short maturities and usually extended in the form of 15- or 18-month drafts.

The committee is of the opinion the bank can be made an even more useful mechanism for assisting our export trade if in addition to its present loan and guaranty authority it would be authorized to issue a limited form of war risk and expropriation insurance as provided in H. R. 4465. It is believed that issuance of such insurance, not presently available through commercial channels, would encourage United States lending institutions in the temporary financing of goods exported from the United States and located in a friendly foreign country. To the extent that private lending institutions would finance such shipments the bank might be relieved of potential calls upon its own lending authority. This is entirely in keeping with the policy of operation of the bank, namely, that it assist, encourage, and not compete with private lending institutions. Perhaps of even more importance, however, would be the fact that with such financing American exporters would be placed in an improved competitive position. In general, temporary financing can be arranged at more advantageous terms through United States sources of credit than an exporter could obtain in foreign countries. With respect to storable agricultural commodities the American exporter has in some instances access to future's markets affording hedging protection which is nonexistent in some foreign countries. Any saving which an American exporter can make, of course, improves his position to offer United States goods in competition with those from sources outside the United States.

The bank because of its broad experience in the foreign lending field is in a peculiarly good position to undertake this limited insurance program which quite frankly would be of an experimental nature. The amount of the limited insurance that could be outstanding at any one time could not exceed \$100 million. Insurance issued and outstanding would be treated by the bank as a charge against its existing loan and guaranty authority, and thus would not require any increase in such authority.

The insurance which the bank would be authorized to issue would in no way shield businessmen from the normal risks of business nor would it in any sense insure profits or prices. The risk covered would include abnormal or so-called political risks such as loss or damage due to hostile or warlike action or from an order of any government or public authority confiscating, expropriating, or requisitioning the property insured while it was located within a friendly free country. The insuring authority proposed to be granted to the bank would by no means be a cure-all for the many and varying problems connected with the export of United States goods. These problems, of course, differ from commodity to commodity and from country to country. However, the committee is of the opinion that such insurance would help overcome one problem that is hampering exports and that is the lack of availability of limited war risk and expropriation insurance at rates which make it feasible for utilization by American exporters.

PURPOSE OF BILL

Under the authority of H. R. 4465, the Export-Import Bank would issue war risk and expropriation insurance on goods and commodities of United States origin and ownership which are commercially exported from the United States and located in, or in transit to, any friendly foreign nation. The insurance would be written to cover loss or damage to such goods resulting from so-called war risks or from official expropriatory action by foreign governments occurring while the American exporter still owns the goods or is retaining a security interest in them after their arrival abroad. These war risks would include hostile or warlike action arising from civil war or revolutionary activity within friendly foreign nations, as well as military hostilities between the country in which the goods are located and another nation. The risks would not include riots and strikes, as such, except to the extent that these types of civil disorder arose from predominantly military action or from an expropriatory order of a governmental or military authority.

EXISTING WAR RISK COVERAGE

The bill imposes two specific conditions upon the issuance of this insurance, namely, that it be unobtainable in the private domestic insurance market and that it be otherwise unavailable through the Government's existing marine and aviation war-risk insurance programs administered under the supervision of the Secretary of Commerce. American cargoes shipped abroad are adequately protected today against marine war risks by private insurance companies, and the Government's authorized marine and aviation war-risk programs will satisfactorily cover American shippers against in-transit war risks when the private companies are no longer able to do so upon reasonable terms and conditions. It is after the arrival of American cargoes in foreign ports that no protection of the type provided for in this bill is currently or prospectively available, since the Secretary of Commerce is not authorized to provide insurance beyond in-transit coverage and since private companies are unwilling at the present time to assume these risks on the goods after they are located abroad.

In view of existing legislative authority vested in the Secretary of Commerce to provide marine and air war-risk insurance on American cargoes shipped abroad, the authority provided under this bill for the Export-Import Bank to insure against in-transit war risks would not be exercised by the bank under present circumstances, because of the limitation contained in subparagraph (2) of the bill which precludes the issuance of this insurance where the same risks can be insured against by other Government agencies or by private companies at reasonable rates. The Government's marine and air war-risk insurance programs for cargoes are presently being set up on a standby basis, so that they may become immediately operative at such time as insurance against these risks which is presently issued in the domestic, commercial market is no longer available to American shippers upon reasonable terms and conditions. One witness appearing before the committee raised a question concerning the retention in the bill of the language permitting the insurance to cover in-transit war

risks inasmuch as such insurance is presently available from commercial underwriters and would likewise be available whenever the Government marine and aviation war-risk programs were activated. The committee considered this matter fully and does not recommend deletion of this language for two reasons: First, as pointed out above, the bill precludes the issuance of this insurance where the same risks can be insured against by other Government agencies or private companies at reasonable rates; second, it was brought to the attention of the committee that present commercial contracts covering these risks terminate upon discharge of the cargo or 15 days after the vessel reaches the port of discharge, whichever occurs the earlier. The committee has also been informed that the commercial policies do not provide for any extension of the 15-day provision. It is, therefore, possible that a hiatus may occur in cases where it is not possible to discharge cargoes within the 15-day period. The committee believes that insurance against this contingency might be a necessary link in achieving the purposes of the bill.

NEED FOR INSURANCE

The need for this insurance arises because of the inability of American exporters, particularly of such commodities as cotton, to arrange United States commercial bank financing for their sales abroad, without the risks mentioned being covered by insurance. Thus, even where the commodity is sold on terms calling for payment on arrival, many banks will not finance the transaction without these risks being insured against, because of the fear that losses may occur as a result of such risks between the time of arrival of the ship in the foreign port and the time at which the foreign purchaser of the commodities ultimately takes title on shore. Even more important, perhaps, is the type of transaction where the commodities are shipped abroad on consignment to the seller or his agent. Under such a transaction, the commodities are stored in a bonded warehouse at the port of discharge pending their sale. They remain unprotected against war and expropriation risks during this period, which, in some cases, can be a relatively long one, depending upon the immediate state of the market for the commodities. It is believed that the availability of this type of insurance would help American exporters ship and sell more goods and commodities, if they can thereby obtain adequate commercial bank financing for payment on arrival and consigned shipments.

EXCLUSION FROM EXPROPRIATION INSURANCE

This legislation would authorize protection of the American exporter against risks of an abnormal nature over which he can exercise little or no control. Accordingly, the insurance to be provided by the Export-Import Bank would not cover the risk of loss abroad of exported products which occurs as a result of confiscation or seizure by a friendly foreign government through its enforcement of normally existing sanitary, quarantine, and contraband regulations. Not only would the risk of loss resulting from such action by foreign nations appear to be within the American shipper's control, but the issuance of insurance by the United States Government against this type of

risk would also appear to be contrary to announced United States public policy reflected in our own domestic regulations on these matters.

UTILIZATION OF PRIVATE INSURANCE COMPANIES AS AGENTS

The bill permits the bank to call upon the facilities of experienced private insurance companies to carry out the program. The ultimate cost to the Government through the employment of private insurance companies would, in the opinion of the committee, be less than that which would be incurred if the bank itself were to assume entire operational responsibility for the program. The bill would also permit the bank to arrange for the participation of American insurance companies in the assumption of a portion of the risks to be covered by this insurance. Considerable doubt was expressed before the committee, however, as to whether such participation by the private companies could be counted upon.

EXPORTS TO BE COVERED BY INSURANCE

The bill will authorize the bank to insure all types of goods and commodities, including products of the factory as well as the farm. But since there is no urgent need for Government assistance of this type for those United States exports which are presently moving freely in foreign trade, the insurance will be limited, administratively, to those United States exports, normally constituting an exportable surplus, which really need this type of insurance in order to be sold abroad through regular commercial channels. The bank would consult with other interested agencies of the Government in determining from time to time which exported goods and commodities should, accordingly, receive this insurance protection.

CHANGES IN EXISTING LAW

In compliance with clause 3 of the rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics and existing law in which no change is proposed is shown in roman):

EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED

* * * * *

SEC. 2. (a) There is hereby created a corporation with the name Export-Import Bank of Washington, which shall be an agency of the United States of America. The objects and purposes of the Bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. In connection with and in furtherance of its objects and purposes, the Bank is authorized and empowered to do a general banking business except that of circulation; to receive deposits; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and to guarantee notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase, sell, and guarantee securities but not to purchase with its funds any stock in any other corporation except that it may acquire any such stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness to it; to accept bills and drafts drawn upon it; to issue

letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to perform any act herein authorized in participation with any other person, including any individual, partnership, corporation, or association; to adopt, alter, and use a corporate seal, which shall be judicially noticed; to sue and to be sued; to complain and to defend in any court of competent jurisdiction; and the enumeration of the foregoing powers shall not be deemed to exclude other powers necessary to the achievement of the objects and purposes of the Bank. The Bank shall be entitled to the use of the United States mails in the same manner, and upon the same conditions as the executive departments of the Government. The Bank is hereby authorized to use all of its assets and all moneys which have been or may hereafter be allocated to or borrowed by it in the exercise of its functions. Net earnings of the Bank after reasonable provision for possible losses shall be used for payment of dividends on capital stock. Any such dividends shall be deposited into the Treasury as miscellaneous receipts.

(b) It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital, and that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment.

(c) (1) *The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100,000,000 outstanding at any one time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is in transit to or located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any government or public authority confiscating, expropriating or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured*

(2) *Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.*

(3) *In providing insurance pursuant to this subsection, the Bank may reinsure in whole or in part any company authorized to do an insurance business in any State of the United States or may employ any such company or group of companies to act as its underwriting agent in the issuance of such insurance and the adjustment of claims arising thereunder.*

(4) *Subject to the limitations herein provided, the Bank shall from time to time determine the terms and conditions under which it will provide insurance pursuant to this subsection. Provided, however, That such insurance shall be based, insofar as practicable, upon consideration of the risk involved: And provided further, That the term of coverage of any such insurance shall not exceed one year, subject to renewal or extension from time to time for periods of not exceeding one year as may be determined by the Bank.*

* * * * *

SEC. 7 The Export-Import Bank of Washington shall not have outstanding at any one time [loans and guaranties] *loans guaranties, and insurance* in an aggregate amount in excess of four and one-half times the authorized capital stock of the Bank

* * * * *

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Union Calendar No. 97

83^D CONGRESS
1ST SESSION

H. R. 4465

[Report No. 320]

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1953

Mr. WOLCOTT introduced the following bill; which was referred to the Committee on Banking and Currency

APRIL 28, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Export-Import Bank Act of 1945, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Export-Import Bank Act of 1945,
4 as amended, is hereby amended by inserting the following
5 as subsection (c) :

6 “(c) (1) The Export-Import Bank of Washington
7 is further authorized, in the manner and to the extent herein
8 specified, to provide insurance in an aggregate amount not in
9 excess of \$100,000,000 outstanding at any one time for the
10 benefit of citizens of the United States, including corpora-
11 tions, partnerships, and associations organized and existing

1 under the laws of the United States or any State, district,
2 Territory, or possession thereof, against the risks of loss of
3 or damage to tangible personal property of United States
4 origin which is exported from the United States in com-
5 mercial intercourse and is in transit to or located in any
6 friendly foreign country, to the extent that such loss or
7 damage results from hostile or warlike action in time of peace
8 or war, including civil war, revolution, rebellion, insurrec-
9 tion, or civil strife arising therefrom, or from an order of
10 any government or public authority confiscating, expro-
11 priating or requisitioning such property and to the extent
12 that such property is owned in whole or in part by the
13 assured or constitutes security for financial obligations owed
14 to the assured.

15 “(2) Insurance may be provided pursuant to this sub-
16 section only to the extent that it cannot be obtained on rea-
17 sonable terms and conditions from companies authorized to
18 do an insurance business in any State of the United States
19 and to the extent that it cannot be obtained from any agency
20 of the United States Government providing marine or air
21 war-risk insurance.

22 “(3) In providing insurance pursuant to this subsection,
23 the Bank may reinsure in whole or in part any company
24 authorized to do an insurance business in any State of the
25 United States or may employ any such company or group

1 of companies to act as its underwriting agent in the issuance
2 of such insurance and the adjustment of claims arising
3 thereunder.

4 “(4) Subject to the limitations herein provided, the
5 Bank shall from time to time determine the terms and con-
6 ditions under which it will provide insurance pursuant to
7 this subsection: *Provided, however,* That such insurance shall
8 be based, insofar as practicable, upon consideration of the
9 risk involved: *And provided further,* That the term of
10 coverage of any such insurance shall not exceed one year,
11 subject to renewal or extension from time to time for pe-
12 riods of not exceeding one year as may be determined by
13 the Bank.”

14 SEC. 2. Section 7 of the Export-Import Bank Act of
15 1945, as amended, is amended by substituting in lieu of
16 the words “loans and guaranties” the words “loans, guaran-
17 ties, and insurance”.

83^d CONGRESS
1st Session

H. R. 4465

[Report No. 320]

A BILL

To amend the Export-Import Bank Act of 1945,
as amended.

By Mr. WORCOTT

APRIL 2, 1953

Referred to the Committee on Banking and Currency

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Committed to the Committee of the Whole House on
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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE.
(For Department Staff Only)

Issued
For actions of

April 30, 1953
April 29, 1953
83rd-1st, No. 77

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HIGHLIGHT: House Rules Committee cleared cotton-exports insurance bill.

SENATE

1. SUBMERGED LANDS. Continued debate on S. J. Res. 13, to establish State title to submerged lands (pp. 4302-14, 4318-44). Sen. Anderson inserted a history of the public domain and tables showing receipts from national forests (pp. 4339-44).
2. ECONOMIC CONTROLS. The Banking and Currency Committee reported additional amendments to S. 1081, providing for temporary economic controls (p. 4302).
3. FOREIGN AID. Sen. Smith, N. J., spoke in favor of famine relief for Pakistan and inserted a statement by the State Department and the Mutual Security Agency on the problem (pp. 4302-4).
4. INTEREST RATES. Sen. Murray criticized the Government's "high interest rate policy" (pp. 4344-5).

HOUSE

5. COTTON EXPORTS. The Rules Committee voted to report a resolution for consideration of H. R. 4465, authorizing war-risk insurance for exported cotton, etc. (p. D341).
6. EXPORT CONTROL. The Banking and Currency Committee voted to report H. R. 4882, to continue authority for export control, and the Rules Committee voted to report a resolution for consideration of the bill (p. D341).

ITEMS IN APPENDIX

7. TREATIES. Sen. Bricker inserted several newspaper editorials favoring his measure, S. J. Res. 1, restricting the President's treaty-making power (pp. A2383-4).
8. SOIL CONSERVATION. Rep. Simpson, Ill., inserted a newspaper editorial discussing soil conservation methods and costs and urging farmers to build up their soil (p. A2386).

9. FLOOD CONTROL; ELECTRIFICATION. Extension of remarks by Sen. Kefauver opposing cuts in estimates for Old Hickory Dam (pp. A2388-9). He also inserted his recent speech favoring TVA and additional electric-power plants (pp. A2384-6).

BILL INTRODUCED

10. AGRICULTURAL FAIRS. H. R. 4849, by Rep. Hillings, would exempt agricultural fairs from the Federal admissions tax; to Ways and Means Committee (Apr. 24).

COMMITTEE HEARINGS RELEASED BY GPO

11. ORGANIZATION. Creation of commissions to study Federal reorganizations and Federal-State relations, S. 106, S. 526, S. 1328, S. 1514. S. Government Operations.

BILL APPROVED BY THE PRESIDENT

12. DAYLIGHT-SAVING TIME. S. 1419, to authorize the D. C. Commissioners to establish daylight-saving time for D. C. each year. Approved Apr. 28 (Public Law 22, 83rd Cong.).

COMMITTEE HEARING ANNOUNCEMENTS FOR APR. 30: Farm exports-imports, S. Agriculture (Reed, PMA, and Davis, FAS, to testify). Conservation in general, H. Agriculture. Leave for U. S. employees, H. Post Office and Civil Service. East-West trade, H. Foreign Affairs (Stassen to testify). State, Justice, Commerce appropriation bill, H. Appropriations, full committee (exec).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Rm. 105A.

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from the following State and municipal officials—Chelsie J. Senerchia, mayor of Miami, Fla.; and Glenn Richards, superintendent of public works, Detroit, Mich. Hearings will be resumed tomorrow.

EXPORT-IMPORT BANK—~~TERMINAL LEAVE~~

Committee on Rules: Granted an open rule providing 2 hours of debate on H. R. 4465, to amend the Export-Import Bank Act of 1945 by authorizing the Bank to utilize up to \$100 million of its existing lending authority to provide a limited type of insurance to American exporters. Representatives Wolcott, Spence, and Brown of Georgia favored the legislation. The same Members spoke on behalf of a rule for H. R. 4882, providing for continuation of authority for regulation of exports. This measure was ordered reported today from the Committee on Banking and Currency, and an open rule for the measure providing an hour's debate was authorized.

Another open rule providing for an hour's debate on H. R. 4654, regarding lump-sum leave payments for Government officials was also granted. Representatives Rees of Kansas and Murray of Tennessee testified on this measure.

The committee also ordered reported to the House H. J. Res. 241, to appoint a committee to attend the celebration of the 50th anniversary of the first airplane flight at Kitty Hawk, N. C. The joint resolution was amended. Representative Bonner, author of the measure, spoke on its behalf.

COMMUNISM IN EDUCATION

Committee on Un-American Activities: Resumed its inquiry into purported communism in the field of education and questioned a former Yale student, Harold T. Woerner, Jr., now living in New Jersey, regarding his association with an alleged Communist cell group while he was at Yale University. The witness refused to answer all questions regarding the matter and refused to answer whether he was, or ever had been, connected with the Communist Party. He claimed constitutional

immunity from answering questions on the grounds of possible self-incrimination (fifth amendment). The committee announced that hearings will be held on communism in education and the entertainment fields next week. The sessions will be conducted in the Federal Building, Foley Square, New York City. The Washington hearings were adjourned subject to call of the Chair.

VETERANS' LOANS

Committee on Veterans' Affairs: In executive session, the committee heard T. B. King, loan guaranty officer, and William T. Heffelfinger, assistant to the Fiscal Assistant Secretary, on the question of interest rates on VA loans. Adjourned until Wednesday, May 6, when the committee will continue on the same subject.

RECIPROCAL-TRADE AGREEMENTS

Committee on Ways and Means: Received added proponent testimony today as the hearings continued on H. R. 4294, to extend for 1 year (until June 12, 1954) the authority of the President to enter into reciprocal-trade agreements. The witnesses were J. M. Jones, executive secretary, National Wool Growers Association, Salt Lake City, Utah; Representative Fernandez, of New Mexico; Ames Stevens, president, National Association of Wool Manufacturers, Lowell, Mass.; Fred G. Singer, Manufacturers Chemists Association; Thomas D. Rice, executive secretary, Massachusetts Fisheries Association, Inc., Boston, Mass.; Harry H. Cook, president, American Flint Glass Workers Union (AFL), Toledo, Ohio; George P. Byrne, Jr., legal counsel, United Wood Screw Service Bureau, New York City; L. B. McKinley, Scientific Instrument Sales Manager, Bausch & Lomb Optical Co., Rochester, N. Y.; Edward R. Metcalf, president, Columbia Rope Co., Auburn, N. Y.; and J. B. Park, president of Brandywine Mushroom Corp., and Walter W. Maule, executive secretary, Mushroom Growers Cooperative Association, Kennett Square, Pa.

BILL SIGNED BY THE PRESIDENT

New Law

(For last listing of Public Laws, see Digest, p. D258)

S. 1419, to permit the Board of Commissioners of the District of Columbia to establish daylight-saving time. Signed April 28, 1953 (P. L. 22).

COMMITTEE MEETINGS FOR THURSDAY, APRIL 30

(All meetings are open unless otherwise designated)

Senate

Committee on Agriculture and Forestry, on agricultural exports and imports, 10 a. m., 324 Senate Office Building.

Committee on Appropriations, full committee, on H. R. 4664, third supplemental appropriations, 10 a. m., room F-37, Capitol;

Subcommittee on State, Justice, Commerce, executive, with Secretary of State Dulles, 2 p. m., room F-37, Capitol; Subcommittee on Labor-HEW, 10 a. m., room F-39, Capitol.

Committee on Armed Services, on calendar bills and nominations, 10:30 a. m., 212 Senate Office Building.

Committee on Interior and Insular Affairs, subcommittee, on attorney contracts with Indians, 9:30 a. m., 2-A Senate Office Building; subcommittee, on S. 1397, oil and gas leases, 10 a. m., 224 Senate Office Building.

Committee on Interstate and Foreign Commerce, Investigating Subcommittee, on waterfront racketeering, 10 a. m., room G-16, Capitol.

Committee on the Judiciary, subcommittee, on nominations of 5 U. S. attorneys, 1 U. S. marshal, and 1 U. S. judge, 10 a. m., 424 Senate Office Building.

Committee on Labor and Public Welfare, on revisions and amendments to Taft-Hartley law, 10 a. m., 318 Senate Office Building.

Select Committee on Small Business, Monopoly Subcommittee, on problems of independent motion-picture exhibitors, 9:30 a. m., room P-38, Capitol.

House

Committee on Agriculture, to hear witnesses discuss conservation in general, 10 a. m., 1310 New House Office Building.

Committee on Armed Services, Subcommittee No. 1 on H. R. 2311, to provide for the exchange between the United States and Puerto Rico of certain lands and interests in lands in Puerto Rico, and other miscellaneous bills, 10 a. m., 313-A Old House Office Building.

Subcommittee No. 3 on H. R. 4361, relating to the making of photographs and sketches of properties of the Military Establishment, and sundry legislative matters, 10 a. m., 304 Old House Office Building.

Committee on Education and Labor, amendments to the Taft-Hartley law. William E. Maloney, president, International Union of Operating Engineers, and John P. Redmond, president, International Association of Fire Fighters, will be heard, 10 a. m., 429 Old House Office Building.

Committee on Foreign Affairs, full committee to hear Mutual Security Director Harold E. Stassen on East-West trade, executive, 11:30 a. m., G-3, U. S. Capitol.

Subcommittee on Foreign Economic Policy to hear O. R. Strackbein, chairman, National Labor-Management Council on Foreign Trade Policy; R. L. Woodcock, import manager, Marshall Field & Co.; Eric Johnston, chairman, International Development Advisory Board; and H. Christian Sonne, chairman of the board, National Planning Association, 2:30 p. m., G-3 U. S. Capitol.

Committee on Government Operations, Brownson Subcommittee on International Operations on the John C. Montgomery

tragedy, former State Department employee. Departmental witnesses are scheduled to testify, 2 p. m., 1501 New House Office Building.

Committee on Interior and Insular Affairs, Subcommittee on Irrigation and Reclamation on H. R. 2259 authorizing appropriation for construction of the Santa Maria project, California, 10 a. m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, on H. R. 3203, to prohibit the ICC from regulating the duration of certain leases for the use of equipment by motor carriers, 10 a. m., 1334 New House Office Building.

Committee on the Judiciary, Keating Subcommittee To Investigate the Administration of the Department of Justice, 10 a. m., 346 Old House Office Building.

Committee on Post Office and Civil Service, to hear officials of the Civil Service Commission on the general subject of annual leave, 10 a. m., 213 Old House Office Building.

Committee on Public Works, Subcommittee on Roads on study of national highway program. Mayor of Indianapolis; city councilman of Huntsville, Ala.; and Brotherhood of Locomotive Engineers, will be heard 10 a. m., 1302 New House Office Building.

Committee on Ways and Means, to continue hearings on H. R. 4294, extending the Reciprocal Trade Agreements Act, 10 a. m., 1102 New House Office Building.

Joint Committee

Joint Committee on Atomic Energy, Subcommittee on Reactor Development, executive, with Secretary of Defense Wilson, Secretary of Air Force Talbott, and Secretary of Navy Anderson, 2:30 p. m., room F-88, Capitol.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 1, 1953
April 30, 1953
83rd-1st, No. 78

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HIGHLIGHTS: House passed bill to exempt top officials from leave system. House committees reported State-Justice-Commerce appropriation bill, export-control bill, and resolution for debate on cotton-exports bill. Senate committee ordered reported 3rd supplemental appropriation bill. Sen. Carlson asked that beef parity price be figured on grade basis.

HOUSE

1. PERSONNEL. Passed as reported H. R. 4654, to exempt certain major officials from the annual and sick leave systems (pp. 4400-9). For provisions of this bill, see Digest 73.
2. EXPORT CONTROL. The Banking and Currency Committee reported without amendment H. R. 4882, to continue export-control authority from June 30, 1953, until June 30, 1956 (H. Rept. 335)(p. 4419). The Rules Committee reported a resolution for consideration of this bill (p. 4396).
3. APPROPRIATIONS. The Appropriations Committee reported H. R. 4974, the State, Justice, Commerce appropriation bill for 1954 (H. Rept. 341)(p. 4419).
4. COTTON EXPORTS. The Rules Committee reported a resolution for consideration of H. R. 4465, to provide for war-risk insurance on exported cotton, etc. (p.4419).
5. REORGANIZATION. Received from the President a reorganization plan to provide for a single managing director for the Export-Import Bank; to Government Operations Committee (H. Doc. 135)(pp. 4409-10). Also received in the Senate (p. 4358).
6. ADJOURNED until Mon., May 4 (p. 4419). Rep. Halleck announced the legislative program for next week: Mon., consent calendar and SJC appropriation bill; Tues., private calendar and SJC appropriation bill; Wed., memorial services; Thurs. and Fri., SJC bill, cotton-exports insurance, and export-control continuation (p. 4414).

SENATE

7. EXPORT CONTROL. The Banking and Currency Committee reported with amendment S. 1739, to continue export-control authority (S. Rept. 207)(p. 4353).

8. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1953. The Appropriations Committee ordered reported (but did not actually report) with amendments this bill, H. R. 4664 (p. D344).
9. FOREIGN TRADE. The Banking and Currency Committee reported with amendment S. Res. 25, providing for an investigation of means to expand foreign investment and trade, and the resolution was referred to the Rules and Administration Committee (S. Rept. 208)(p. 4353).
10. SUBMERGED LANDS. Continued debate on S. J. Res. 13, to establish State title to submerged lands (pp. 4349-52, 4358-92).
11. BEEF PARITY PRICE. Sen. Carlson spoke favoring the establishment of beef parity prices on a grade basis, urged the Secretary to review the present method of figuring parity based on present-day costs, and inserted A. G. Pickett's (Kans. Livestock Assn.) article on this subject (p. 4357).
12. PRICE SUPPORTS; IMPORT CONTROL. Received a Calif. Legislature resolution favoring import controls to protect price supports (p. 4353).
13. WATER UTILIZATION. Received a Hawaii Legislature resolution urging study of Hawaii water resources (p. 4353).

BILLS INTRODUCED

14. EDUCATION. S. 1802, by Sen. Mundt (for himself and others), to amend certain provisions of the United States Information and Educational Exchange Act of 1948 relating to exchange programs; to Foreign Relations Committee. Remarks of author. (p. 4354.)
15. COST-OF-LIVING ALLOWANCES. S. 1803, by Sen. Carlson, to permit payment of certain cost-of-living allowances outside continental U. S. at rates in excess of 25% of basic pay; to Post Office and Civil Service Committee (p. 4354).
16. OLEOMARGARINE. S. 1806, by Sen. Stennis (for himself and Sen. Goldwater), to amend the Navy ration statute so as to provide for serving oleomargarine or margarine; to Armed Services Committee (p. 4354).
17. IMMIGRATION. H. R. 4925, to authorize immigration of 240,000 additional persons; also H. R. 4935, by Rep. Javits; to Judiciary Committee (pp. 4419-20).
18. LAND TRANSFER. H. R. 4928, by Rep. Canfield, to authorize USDA to convey a land tract to Clifton, N. J.; to Agriculture Committee (p. 4420).
19. FOREST ROADS. H. R. 4929, to provide for an adequate system of timber access roads to and in the national forests through Treasury loans to USDA; to Agriculture Committee (p. 4420).
20. PRICES. H. R. 4931, by Rep. Graham, to promote competition by clarifying laws relating to trade regulation and pricing methods and policies; to Judiciary Committee (p. 4420). Remarks of author (pp. A2419-20).
21. PERSONNEL. H. R. 4937, by Rep. Jonas, Ill., to exempt from income tax certain retirement annuities; to Ways and Means Committee (p. 4420).
H. R. 4948, to permit retirement after 25 years' service of certain personnel who have incurred disability in the armed forces; to Post Office and Civil Service Committee (p. 4420).

CONSIDERATION OF H. R. 4465

APRIL 29, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 222]

The Committee on Rules, having had under consideration House Resolution 222, reports the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 38

83^D CONGRESS
1ST SESSION

H. RES. 222

[Report No. 331]

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 4465) to amend the
5 Export-Import Bank Act of 1945, as amended. After gen-
6 eral debate, which shall be confined to the bill, and shall
7 continue not to exceed two hours, to be equally divided and
8 controlled by the chairman and ranking minority member of
9 the Committee on Banking and Currency, the bill shall be
10 read for amendment under the five-minute rule. At the con-
11 clusion of the consideration of the bill for amendment, the
12 Committee shall rise and report the bill to the House with
13 such amendments as may have been adopted, and the previous

- 1 question shall be considered as ordered on the bill and amend-
2 ments thereto to final passage without intervening motion
3 except one motion to recommit.

House Calendar No. 38

83d CONGRESS
1st Session

H. RES. 222

[Report No. 331]

RESOLUTION

Providing for the consideration of H. R. 4465,
a bill to amend the Export-Import Bank Act
of 1945, as amended.

By Mr. ALLEN of Illinois

APRIL 29, 1953

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 8, 1953
For actions of May 7, 1953
83rd-1st, No. 83

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HIGHLIGHTS: Both Houses passed cotton-exports insurance bill. House passed export-control bill. Senate committee voted to report Mexican farm-labor bill and Extension Service consolidation bill. Sen. Humphrey urged farmer-committee system. Sen. Aiken inserted USDA statement on CCC stocks. Sen. Humphrey asked famine relief for Pakistan.

SENATE

1. EXPORT INSURANCE. Both Houses passed H. R. 4465, to authorize the Export-Import Bank to insure exported cotton and other products against war risk. The Senate amended the bill so as to strike out the House provision authorizing such insurance during transit of the commodities to foreign countries (such insurance already being authorized through the Commerce Department). (pp. 4856-65, 4834-6.)
2. EXTENSION SERVICE; FARM LABOR; FOREST LAND. The Agriculture and Forestry Committee voted to report (but did not actually report) S. 1679, to consolidate Extension Service authorizations, and S. 731, to provide for transfer of a tract of forest land at Cherry Point, N. C., to the Navy, without amendment; and H. R. 3480, to extend the period during which Mexican agricultural workers may be made available for employment in this country, with an amendment to provide for a 1-year extension of the program (p. D381).
3. BUDGETING. The "Daily Digest" states that the Reorganization Subcommittee of the Government Operations Committee "ordered favorably reported to the full committee S. 833, to amend the Legislative Reorganization Act of 1946 by creating a Joint Committee on the Budget, with amendments by Senator McClellan (5-1-53-A) amended so as to provide that the Comptroller General may employ members of professional staff only without regard to civil-service rules, regulations, etc." (p. D383.)
4. FARMER COMMITTEES. Sen. Humphrey urged "perpetuation of the great farmer-elected committee system" for carrying out certain agricultural programs (pp. 4841-4).
5. COMMODITY CREDIT CORPORATION. Sen. Aiken inserted a letter from the Secretary showing CCC's stock position on fats and oils and dairy products (pp. 4800-4).

6. FOREIGN AID. Sen. Humphrey spoke in favor of "economic assistance to...Pakistan by a loan for the purchase of wheat" and inserted letters from the State and Agriculture Departments on the matter (pp. 4844-5).
7. FORESTRY. Sen. Douglas read a letter from an individual requesting "my share" of national-forest and other Federal resources (p. 4805).

HOUSE

8. EXPORT CONTROL. Passed S. 1739, to extend export-control authority, with an amendment to extend it for 3 years from June 30, 1953, instead of 1 year as provided by the Senate version (pp. 4865-6).
9. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 1815, to amend the Recreation Act of 1926 to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes (H. Rept. 353)(p. 4877).
10. FARM LOANS. The Veterans' Affairs Committee reported with amendment H. R. 4976, to extend to June 30, 1954, the direct home and farmhouse loan authority of the Veterans' Administration under title III of the Servicemen's Readjustment Act of 1944 (H. Rep t. 354)(p. 4877).
11. COTTON. Rep. Gathings spoke on National Cotton Week and the Department's exhibit in the patio of the Administration Building (p. 4852).
12. PERSONNEL. Rep. Broyhill spoke on his resolution to investigate the firing of career Federal employees (pp. 4855-6).
13. CONTRACTS. Received a R. I. Assembly resolution urging repeal of the Fulbright amendment to the Public Contracts Act (p. 4878).
14. INSECTICIDES. Received a Wisconsin Berry and Vegetable Growers Association petition regarding the standards of tolerance for insecticides and fungicides on food crops (p. 4873).
15. INTEREST RATES. Rep. Multer criticized the increase in Government bond interest rates, including its effect on mortgages (pp. 4872-3).
16. ADJOURNED until Mon., May 11 (p. 4876). Legislative program for next week, as announced by Rep. Halleck: Mon., D. C. bills; Tues., tidelands bill; Thurs. and Fri., Treasury-Post Office appropriation bill (pp. 4847, 4852-3).

BILLS INTRODUCED

17. ELECTRIFICATION. S. 1851, by Sen. Murray (for Sen. Lehman), to authorize certain works on the Niagara Falls and River; to Public Works Committee. Remarks of author. (pp. 4797-9.)
18. SUBMARGINAL LANDS. H. R. 5051, by Rep. Chenoweth, to authorize USDA to sell lands acquired under title 3 of the Bankhead-Jones Farm Tenant Act; to Agriculture Committee (p. 4877).
19. TRANSPORTATION. H. R. 5052, to expedite ICC consideration of rate increases; to Interstate and Foreign Commerce Committee (p. 4877).
20. FOOD STANDARDS. H. R. 5055, by Rep. Hale, to simplify Food and Drug Administration procedures for establishment of food standards; to Interstate and Foreign

83D CONGRESS
1ST SESSION

H. R. 4465

IN THE SENATE OF THE UNITED STATES

MAY 7 (legislative day, MAY 6), 1953

Read twice, considered, amended, read the third time, and passed

AN ACT

To amend the Export-Import Bank Act of 1945, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Export-Import Bank Act of 1945, as
4 amended, is hereby amended by inserting the following as
5 subsection (c) :

6 “(c) (1) The Export-Import Bank of Washington is
7 further authorized, in the manner and to the extent herein
8 specified, to provide insurance in an aggregate amount not
9 in excess of \$100,000,000 outstanding at any one time for
10 the benefit of citizens of the United States, including corpora-
11 tions, partnerships, and associations organized and existing

1 under the laws of the United States or any State, district,
2 Territory, or possession thereof, against the risks of loss of
3 or damage to tangible personal property of United States
4 origin which is exported from the United States in commer-
5 cial intercourse and is located in any friendly foreign country,
6 to the extent that such loss or damage results from hostile
7 or warlike action in time of peace or war, including civil
8 war, revolution, rebellion, insurrection, or civil strife arising
9 therefrom, or from an order of any government or public
10 authority confiscating, expropriating or requisitioning such
11 property and to the extent that such property is owned in
12 whole or in part by the assured or constitutes security for
13 financial obligations owed to the assured.

14 “(2) Insurance may be provided pursuant to this sub-
15 section only to the extent that it cannot be obtained on
16 reasonable terms and conditions from companies authorized
17 to do an insurance business in any State of the United States
18 and to the extent that it cannot be obtained from any agency
19 of the United States Government providing marine or air
20 war-risk insurance.

21 “(3) In providing insurance pursuant to this subsection,
22 the Bank may reinsure in whole or in part any company au-
23 thorized to do an insurance business in any State of the
24 United States or may employ any such company or group
25 of companies to act as its underwriting agent in the issuance

1 of such insurance and the adjustment of claims arising
2 thereunder.

3 “(4) Subject to the limitations herein provided, the
4 Bank shall from time to time determine the terms and
5 conditions under which it will provide insurance pursuant
6 to this subsection: *Provided, however,* That such insurance
7 shall be based, insofar as practicable, upon consideration of
8 the risk involved: *And provided further,* That the term of
9 coverage of any such insurance shall not exceed one year,
10 subject to renewal or extension from time to time for periods
11 of not exceeding one year as may be determined by the
12 Bank.”

13 SEC. 2. Section 7 of the Export-Import Bank Act of
14 1945, as amended, is amended by substituting in lieu of the
15 words “loans and guaranties” the words “loans, guaranties,
16 and insurance”.

Passed the House of Representatives May 7, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83d CONGRESS
1st Session

H. R. 4465

AN ACT

To amend the Export-Import Bank Act of 1945,
as amended.

MAY 7 (legislative day, MAY 6), 1953

Read twice, considered, amended, read the third time,
and passed

doubt that there is a Senator among us who can describe criminal law and procedure as it actually operates in Japan. I doubt that there is a member of the Committee on Foreign Relations who understands it. Certainly there is nothing in the record to show what it is.

On page 53 of the record of hearings, Senators will find a statement by General Smith which disclaims the creation of any precedent, but which proves that fact beyond reasonable doubt. General Smith, quoting Lord Ismay, refers to NATO "as a sort of gentleman's club; you had to demonstrate gentility to the unanimous views of all the other members before you could be admitted." According to newspaper reports, General Smith's unedited statement was that prospective members of NATO had to prove they were "housebroken."

Membership in NATO does not mean that all members recognize the same degree of civil and political liberty. Not even Clarence Streit, head of the Atlantic Union movement, contends that all NATO countries are so alike as to make a political union of all of those countries feasible. He would exclude from Atlantic Union, as not sufficiently housebroken, Greece, Turkey, and several other NATO members.

References were made in the hearings to certain countries in the Middle East where the punishment for theft is to cut off the hand of the offender. For the benefit of the Senator from Rhode Island [Mr. PASTORE], I refer to the Record of Hearings, pages 50, 52. Surely no one wants to subject American servicemen to such cruel and inhuman punishment. But how can that be avoided if the treaty before us is approved without reservation? Is General Smith going to tell countries of the Middle East that they are not genteel, or that their system of justice is inferior to that of the NATO countries? I think not. The Middle East is too important to be thrown into the arms of the Communists. We have no alternative but to treat all nations on the same basis so far as jurisdiction over American troops is concerned.

Not being in the State Department, I have no hesitancy in saying that Marshal Tito is not housebroken. But can General Smith say the same? Of course not. If there is any hope of making Tito a trustworthy ally, the State Department cannot make any invidious comparisons between the Yugoslav and Italian systems of jurisprudence.

At the present time, the United States has military forces stationed in about 40 countries. Are we to tell all but 14 of those nations that they are not genteel, not housebroken? The probability is that rather than alienate their friendship we would subject American boys to their criminal jurisdiction, no matter how bizarre or inhuman according to our standards.

For this dilemma, there is a very simple remedy. The United States can treat all nations alike by standing on the generally accepted principles of international law which it has followed for more than 150 years.

Reference has been made to Americans as being a special, privileged class.

One argument for approval of the Status of Forces Treaty is more disturbing to me than any other. On pages 11 and 12 of the committee report, this statement appears:

Exclusive criminal jurisdiction, amounting to extraterritoriality, itself creates difficult problems. In the eyes of the local population, it sets Americans apart as a special, privileged class, and this fact acts as a constant irritant. * * * Regardless of how fair and just American courts-martial may be, the existence of exclusive criminal jurisdiction seems to the other country to be an infringement of its sovereignty.

I suppose that has been dated back to the time when extraterritoriality was looked upon as something invidious, as applied to the civilian population. It has been done away with in most places in the world today, and it should be wiped out. But that is an entirely different problem from dealing with troops under the command of the United States.

So long as Americans insist on a higher standard of civil and political rights than their neighbors, they will, to that extent, seem to stand alone as a special, privileged class. Of course, the contrast would not be so great, if Americans were willing to accept European concepts of freedom. Even in trials before courts-martial, Americans are guaranteed the presumption of innocence; protected against cruel and inhuman punishment; convicted only on proof of guilt beyond a reasonable doubt; granted the privilege against self-incrimination; and granted the rights to various appeals, even up to the President of the United States. None of these safeguards for American forces is guaranteed by the Status of Forces Treaty, which will be before the Senate next week.

The proposed treaty does not even give the accused the right to public trial. In fact, such a right is denied by implication in article VII, paragraph 9 (g), providing that the accused shall be entitled:

To communicate with a representative of the government of the sending state—

That is, our court—

and, when the rules of the court—

That is, their court—

permit, to have such a representative at his trial.

Thus, it is clear that under certain circumstances even representatives of the accused's commanding officer may be excluded from the trial. His trial will be secret.

It is true that the Uniform Code of Military Justice does not guarantee any right to a public trial. But the American tried by courts-martial is tried by Americans. He is surrounded by numerous safeguards provided by Congress. In liberalizing court-martial procedure by enacting the Uniform Code, Congress created a Court of Military Appeals, on which three distinguished judges are now serving. Congress has the power to improve the code at any time it sees

fit. But if the Status of Forces Treaty is approved without reservation, neither Congress nor the President can correct an injustice done to an American serviceman. The treaty cannot even be denounced until 5 years after ratification.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "Navy's Traditional Penalty—Bread and Water—Ruled Out," published in the Washington Post of May 7, 1953. The editorial refers to a decision by the court to which I have been referring.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NAVY'S TRADITIONAL PENALTY—BREAD AND WATER—RULED OUT

One of the standbys of Navy justice—bread and water—has run afoul of the United States Court of Military Appeals.

A court-martialed serviceman can be confined on bread-and-water rations only if he's aboard ship and then only for 3 days or less, the highest military tribunal has ruled.

During World War II, sailors and marines who ran into the "rocks and shoals"—as the Articles for the Government of the Navy are called—frequently got 30 days on bread and water. Some of them spent more time on bread and water than they did on ordinary rations.

But the court unanimously struck down the traditional penalty in the case of Marine Pvt. Warren L. Wappler. He pleaded guilty before a court-martial at Camp Pendleton, Calif., to being absent without leave and missing a transfer of his unit through neglect.

He was sentenced to solitary confinement on bread and water for 30 days with a full ration every third day, 60 days at hard labor, forfeiture of \$150, and a bad-conduct discharge.

The Navy Judge Advocate General asked the court three questions: Whether a court-martial may impose confinement on bread and water where it also orders a punitive discharge; whether it may impose bread and water where the accused is not "attached to or embarked in a vessel;" and whether it may extend the bread-and-water sentence beyond 3 consecutive days.

The court answered "No" to all three questions and sent the case back for further consideration by a Navy Board of Review.

In limiting bread and water to men attached to ships, the court cited an article of the United States Code which forbids flogging, branding, marking, tattooing or any other cruel or unusual punishment.

The opinion by Judge Paul W. Brosman said bread and water is thus prohibited except when imposed under the 3-day, aboard-ship limitation prescribed by another article of the code.

Following precedent, the court said the code's provisions prevail over the Manual for Courts Martial, which conflicts by allowing bread-and-water sentences up to 30 days.

The court also cited statements by witnesses before a House subcommittee considering the code's provisions. These witnesses called the bread-and-water punishment cruel and barbaric and a relic of earlier days.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from South Carolina.

Mr. MAYBANK. I wish to commend the distinguished Senator from Ohio

for the words of wisdom he speaks here today.

Mr. BRICKER. I thank the Senator from South Carolina.

Mr. President, it is not enough merely to look at excerpts from the constitutions and laws of other countries. Many fine phrases are qualified by other provisions effective in national emergencies proclaimed by the authorities. There is not one United States Senator—I think I speak advisedly—who really knows the type of trial given to persons accused of crimes in all the NATO countries and Japan. I might add to that the Moslem countries, because soon it will be extended there.

The hearings do not mention how prisoners are treated in NATO countries and in Japan. We know that confinement by our own military authorities takes place under conditions that are humane and sanitary. Will the Senate Foreign Relations Committee certify to the American people that the same conditions prevail in the penal institutions of NATO countries and Japan? We are entitled to know that before we enter into such an agreement as this.

If Americans, by reason of their unique respect for fundamental human rights, are a special or privileged class, they have not shirked their responsibility to people less fortunate. Billions of dollars have, for example, been poured into NATO countries. That contribution would have been impossible without the concept of freedom which distinguishes Americans from other people. Reasonable and honest men may differ in regard to the number of dollars Congress may give away with safety, both with respect to our own economy and with respect to help to others. But to give away the rights of Americans serving in the uniform of their country on foreign soil is unthinkable.

INCREASE IN LIMIT OF EXPENDITURES FOR COMMITTEE ON RULES AND ADMINISTRATION

The Senate resumed the consideration of the resolution (S. Res. 106) increasing the limit of expenditures under Senate Resolution 333, 82d Congress, for the Committee on Rules and Administration.

Mr. TAFT. Mr. President, with the consent of the Senator from Kansas [Mr. SCHOEPP] who made the motion to take up the Jenner resolution, Senate Resolution 106, I now withdraw that motion. I give notice that I will renew the motion some time next week, after giving a day or two notice ahead of time as to when I shall make the motion.

The PRESIDING OFFICER. The motion is withdrawn.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED

The PRESIDING OFFICER laid before the Senate the bill (H. R. 4465) to amend the Export-Import Bank Act of 1945, as amended, which was read twice by its title.

Mr. TAFT. Mr. President, I move that the Senate proceed to the consid-

eration of Calendar No. 171, Senate bill 1413.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1413) to amend the Export-Import Bank Act of 1945, as amended.

The PRESIDING OFFICER. The corresponding House bill just came over from the House of Representatives.

Mr. TAFT. I understand that; but as a rule we consider the Senate bill first, and then substitute the House bill. That is the usual procedure. If the Senate prefers to discard the Senate bill first, it may do so.

Mr. BUSH. Mr. President, I suggest that we follow the usual procedure.

Mr. TAFT. The printed Senate bill is before us. I do not know whether it is exactly the same as the House bill.

Mr. BUSH. I will deal with that.

Mr. TAFT. Then I renew my motion that the Senate proceed to the consideration of Senate bill 1413.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1413) to amend the Export-Import Bank Act of 1945, as amended, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 4, after the word "is", to strike out "in transit to or", so as to make the bill read:

Be it enacted, etc., That section 2 of the Export-Import Bank Act of 1945, as amended, is hereby amended by inserting the following as subsection (c):

"(c) (1) The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100 million outstanding at any one time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any government or public authority confiscating, expropriating, or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured.

"(2) Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.

"(3) In providing insurance pursuant to this subsection, the Bank may reinsure in whole or in part any company authorized to do an insurance business in any State of the United States or may employ any such company or group of companies to act as its underwriting agent in the issuance of such insurance and the adjustment of claims arising thereunder.

"(4) Subject to the limitations herein provided, the Bank shall from time to time determine the terms and conditions under

which it will provide insurance pursuant to this subsection: *Provided, however,* That such insurance shall be based, insofar as practicable, upon consideration of the risk involved: *And provided further,* That the term of coverage of any such insurance shall not exceed 1 year, subject to renewal or extension from time to time for periods of not exceeding 1 year as may be determined by the Bank."

SEC. 2. Section 7 of the Export-Import Bank Act of 1945, as amended, is amended by substituting in lieu of the words "loans and guaranties" the words "loans, guaranties, and insurance."

Mr. BUSH. Mr. President—

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut.

Mr. BUSH. Mr. President, by agreement yesterday the consideration of Senate bill 1413 was set for today. Meanwhile, the House has passed House bill 4465. The House bill differs from Senate bill 1413 only in that it contains the four words, "in transit to or" which the Senate Committee on Banking and Currency deleted from the bill, as shown in line 4 on page 2 of Senate bill 1413, as reported.

I therefore ask unanimous consent that the Senate proceed to the consideration of House bill 4465, with the understanding that I shall immediately offer an amendment to delete the words "in transit to or" from the House bill, in order to make it conform to and be identical with the text of Senate bill 1413, as reported by the Senate committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. TAFT. Will the Senator from Connecticut include in his request a request to postpone indefinitely Senate bill 1413?

The PRESIDING OFFICER. That may be done after the House bill is passed.

Is there objection to the request of the Senator from Connecticut?

There being no objection, the Senate proceeded to consider the bill (H. R. 4465) to amend the Export-Import Bank Act of 1945, as amended.

Mr. BUSH. Mr. President, I am quite willing to include the suggestion of the majority leader if it is necessary. On the other hand, I do not think it is necessary.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. MAYBANK. First, I should like to have the privilege of voting on the Senator's amendment before we postpone the Senate bill.

Mr. BUSH. Mr. President, I offer an amendment to strike out the words "in transit to or" from the new subsection (c) (1) proposed to be added to section 2 of the Export-Import Bank Act of 1945, as amended. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. On page 2, line 5, in subsection (c) (1) proposed to be added to section 2 of the Export-Im-

port Bank Act of 1945, as amended, it is proposed to delete the words "in transit to or."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH].

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MAYBANK. Mr. President—

Mr. TAFT. Mr. President, I thought the Senator from Connecticut still had the floor.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from South Carolina.

Mr. MAYBANK. Will my distinguished friend, who has so ably handled this bill, request that the Senate bill be indefinitely postponed?

Mr. BUSH. Mr. President, I ask unanimous consent that Senate bill 1413 be indefinitely postponed. It is now identical with the House bill, the House bill having been amended to conform.

The PRESIDING OFFICER. Without objection, Senate bill 1413 is indefinitely postponed.

Mr. TAFT. Mr. President, does the Senator from Connecticut propose to speak on the bill?

Mr. BUSH. I should like to make a few remarks about the bill.

This bill would amend the Export-Import Bank Act of 1945, as amended, by broadening the authority of the bank to include certain insurance operations. It authorizes the bank to insure, against certain specified risks, tangible personal property of United States origin which is exported from the United States in commercial intercourse and is located in any friendly foreign country, to the extent that such property is owned in whole or in part by citizens of the United States, or constitutes security for financial obligations owed to citizens of the United States. Coverage would be limited to loss or damage resulting from hostile or warlike action in time of peace or war, or from an order of any government or public authority confiscating, expropriating, or requisitioning such property. The total amount of insurance outstanding at any one time could not exceed \$100 million. Insurance by the bank would be provided only to the extent that it could not be obtained on reasonable terms and conditions from commercial insurance firms or from any United States Government agency providing marine or air-risk insurance. The bank is authorized to reinsure in whole or in part with commercial insurance companies and to employ such companies to act as its underwriters or for claim adjustment.

The bill simply gives American exporters an opportunity to obtain insurance for goods which have been shipped abroad and are located there. There is no insurance in connection with transportation of the goods, but only insur-

ance which cannot now be provided by private sources for goods which have been landed in ports abroad.

The various agencies of the Government which have been asked to comment on the bill have not objected. Mr. Stassen's department has no objection, and has so advised us. The Treasury Department says the same thing.

The State Department actually supports the objectives of the bill. The Commerce Department has no objection, and in general has expressed itself favorably with respect to the bill.

It has also been supported by the American Farm Bureau Federation, the National Association of Steel Exporters, the National Council of Farmer Cooperatives, the American Cotton Shippers Association, the National Cotton Council, and others.

The very slight opposition to the bill is limited to the Association of Marine Underwriters. I believe the amendment which we have adopted concerning goods in transport takes care of most of that objection. Otherwise, there has been no opposition to the bill of any kind, and the Chairman of the Export-Import Bank has advised the committee that private insurance companies are not at all opposed to the bill. I may say that we have had no opposition to it, with one exception, which I personally do not consider to be very important. I shall be very glad to answer any question which any Senator may wish to ask about the bill.

Mr. TAFT. Mr. President, I wish to state the reasons for my opposition to the bill. I do not expect to defeat the bill. I believe it is an unfortunate development of governmental policy. I think it is out of line with everything which the Republican Party has said it was going to do. I believe it adopts a policy which Democratic Congresses themselves have rejected in recent years. I think it is a very unfortunate extension of Government in business. It is an attempt to put Government in business to the extent of \$100 million, a large part of which would be lost to the Government in case of war. Certainly it is generally admitted that the only reason private insurance companies do not today write war-risk insurance is because they know they will lose their shirt if they write such insurance. That is undoubtedly true.

Mr. President, the pending bill provides:

(c) (1) The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100 million outstanding at any one time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any govern-

ment or public authority confiscating, expropriating or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured.

Mr. President, not only does the bill cover that kind of insurance, but if the goods are taken abroad and sold to someone and a lien is retained for payment, the foreigner is insured also.

Mr. President, there are a number of reasons why I am opposed to the passage of the bill.

In the first place it puts government into business. I do not believe the Government should go into any business unless the reason is overwhelming. That is reason enough, I believe, a sufficient ground for opposing the bill.

In the second place, it provides insurance particularly against seizure by foreign governments. For the past 6 years, under the point 4 program, we have done exactly that. In the case of plants of all sorts constructed abroad by American investors the Federal Government undertakes to insure them against confiscation by a foreign government.

Previous Congresses have rejected or refused even to consider this kind of proposition. It would substitute the Federal Government as the claimant against a foreign government.

It has always seemed to me to be unwise that in connection with the point 4 program we should undertake to insure against confiscation by a foreign government. Yet now we would do it with all personal property that may be of United States origin. Certainly it would be only another step to insure all American investors abroad in the same manner.

From a peace-and-war standpoint, the bill has two phases. In the first place, it provides war-risk insurance. That is, it provides exporters with insurance against a war occurring. If a war should occur millions of people in the United States would lose their shirts. Because of war millions of people in this country would sustain overwhelming losses, for which they would not be recompensed. Many things may happen.

When we actually get into a war we will try to do what we did before, namely, carefully select the fields in which the Government may properly engage in time of war, such as the field of war-risk insurance.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I shall be glad to yield after I have concluded my statement.

In previous wars we passed laws making provision against bomb damage, for example. Probably we would do it again if we were engaged in another war.

However, Mr. President, why should we single out exporters and insure them against the possibility of the danger of losses in time of war, when everyone in the United States may suffer from it?

The argument is made that we must do it now in time of peace to provide against insurrection or confiscation, because we are in a kind of emergency situation.

Mr. President, I dislike to see the emergency argument come up again.

The condition we are in today, while it is not exactly peace, is nevertheless one that may go on for 10 or 20 years. I believe we must settle down and recognize it as a condition which hardly justifies emergency action. It is not a time in which to change the normal activities and scope of what the Government should do, outside of actual defense operations themselves.

Therefore, I wanted to place on record a statement of my opposition to the bill. It represents a policy which I think is unfortunate, and which we have tried to avoid in the past. I believe it will be regretted and probably cause a large loss to the taxpayers of our country in the event war should occur.

Whatever may happen in time of peace, certainly if war should occur the bill would cost the taxpayers of our country a large part of the \$100 million involved.

Mr. BUSH. Mr. President, I regret very much to take issue with my distinguished friend, the Senator from Ohio, on any matter, and I certainly regret that I must take issue with him on this subject. Whether we like it or not, the fact is we are in an emergency. If we were not in an emergency we would not be appropriating \$40 or \$50 billion for defense. Because we are in an emergency things have been thrown out of gear, and it is impossible to get this kind of insurance with private companies. Private companies have so stated; but they are willing to cooperate with the Export-Import Bank in connection with this matter.

I believe with the Senator from Ohio that it is not proper for the Government to invade the field of private enterprise or business. However, it is the job of the Government to do those things which are necessary in the common interest and which the people cannot do for themselves. That is why we have a government. It goes on up from the local to the State to the Federal level. When private enterprise cannot assume a task of this kind, it is up to the Government to assume it when the Government is in a position to do so, because it is in the interest of the whole country to keep markets open and to keep trade flowing. So long as the insurance will not cost the Government anything, it is the reasonable thing to do. Therefore I strongly urge the passage of the bill.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina will state it.

Mr. MAYBANK. I understand the bill has been passed. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. MAYBANK. Mr. President, I wish to say that I thoroughly agree with the remarks of the distinguished Senator from Connecticut. With all regard to my appreciation and affection for the distinguished majority leader, I am glad the bill has passed.

Mr. PURTELL subsequently said: Mr. President, I should like to have the RECORD show, in connection with the action taken on Senate bill 1413 and House bill 4465 and the amendment, that since

I was not present during the entire debate, I had misunderstood what the action would be; and I desire to go on record as having opposed the bill, which is what I would have done if I had been here at the time when the vote on the bill was taken.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES

Mr. TAFT. Mr. President, I now move that the Senate proceed to the consideration of Senate bill 15, Calendar No. 225, providing for the appointment of additional circuit and district judges, and for other purposes.

I do not intend to have the discussion of this measure begun tonight; I merely wish to have the bill made the unfinished business.

The PRESIDING OFFICER (Mr. COOPER in the chair). The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 15) to provide for the appointment of additional circuit and district judges, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 15) to provide for the appointment of additional circuit and district judges, and for other purposes, which had been reported from the Committee on the Judiciary with amendments.

ORDER OF BUSINESS

Mr. JOHNSTON of South Carolina. Mr. President, for the information of the Senate, I should like to ask the majority leader what measures will be taken up immediately following the disposal of Senate bill 15?

Mr. TAFT. As I said earlier today, the other two measures to be taken up are Senate bill 16, Calendar No. 153, granting immunity to witnesses before either House of Congress or their committees; and Senate bill 922, Calendar No. 142, dealing with regulation of public transportation of passengers by motor vehicle and street railroad within the metropolitan area of Washington, D. C.

Mr. JOHNSTON of South Carolina. I understand that Senate bill 15, providing for the appointment of additional circuit and district judges, will be debated tomorrow. Is my understanding correct?

Mr. TAFT. Yes. That measure is already the unfinished business to be taken up the first thing tomorrow.

SIZE OF THE AIR FORCE

Mr. MAYBANK. Mr. President, I desire to have printed in the RECORD a statement by myself regarding the announcement made today by the Secretary of Defense that he intends to cut down the Air Force from 143 wings.

Previously I discussed in the Senate the intention of former Secretary Johnson to cut down the Air Force, and, of course, he took such action, under the

administration of a former President. Today our troops are fighting in Korea.

So I ask unanimous consent to have this statement printed in the body of the RECORD. I intend to speak for hours before the Air Force of the United States is destroyed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAYBANK

In my opinion, it is becoming more tragically evident every day that we are not benefiting from the lessons of past errors.

I have in mind the announcement I read in this morning's paper that Defense Secretary Wilson has approved a large cut in production money for the Air Force and the Navy. As I understand this action, it will halt the expansion of the Air Force at 120 wings or less instead of the 143-wing goal. This is an alarming decision at this time.

A man's memory does not have to be exceptional to remember the actions taken shortly after the end of World War II by another Secretary of Defense. The ill-advised use of the economy ax by Secretary Louis Johnson cut the heart out of the Air Force and Navy programs to the extent that we were woefully unprepared to challenge the Communists in Korea. The state of our unpreparedness became more and more apparent as the so-called police action turned into an extended shooting war.

I have fought the battle for an adequate Air Force and an expanded naval air arm for many years. I do not intend to stand by idly this time while we again try to commit national suicide with ill-advised economy measures. There are many ways in which substantial reductions may be made in Federal spending. Our first line of defense is certainly not the place to fulfill a campaign promise.

HAWAIIAN COMPROMISE

Mr. JOHNSTON of South Carolina. Mr. President, for several weeks and months I have been studying the question of Hawaiian statehood, and I have collected some data which I believe will be of assistance to the Senate. At this time I wish to present some of my findings.

Mr. President, on Tuesday, April 14, Joseph Kealialo, a principal figure in the Communist-dominated International Longshoremen's and Warehousemen's Union, issued a direct and threatening challenge to law and order in the United States. In a manner perhaps unprecedented in the history of Anglo-Saxon jurisprudence, Kealialo attempted to coerce and intimidate the Supreme Court of the United States.

The threat by Kealialo, a notorious Communist, was made before the International Longshoremen's and Warehousemen's Union convention in San Francisco. I should like to read to you the report filed by the United Press:

KEALIALO PROPOSES STOPPAGE IF BRIDGES' CONVICTION UPHELD

SAN FRANCISCO, April 14.—Joseph Kealialo, chosen by Harry Bridges as No. 2 "standby" man if Bridges is jailed, told the ILWU convention Thursday that the union should "do anything to see that the leadership stays out of jail."

Kealialo, a delegate from Hawaii, said that if Bridges' pending appeal from his 5-year perjury-conspiracy conviction is denied by the Supreme Court "the ships ought to stop, the plantations ought to stop, and the factories ought to stop."

Senator Wagner represents the American dream; the American ideal. He was an immigrant to our shores who in his all too short life endowed this Nation with the benefit of his wisdom, kindness, energy, and spirit.

Senator Wagner came to this country at the age of 8, having been born in Hessen, Germany. He could neither speak English nor did he know anything of the customs of this country. He started in the public schools of New York City to learn our language. He supported himself and his family by selling newspapers in the morning and running errands for neighborhood grocery stores in the evening. He showed an ever-increasing interest in the conditions of his city, his State, and ultimately of his Nation.

Senator Wagner's name will always be engraved in the history of our State along with that of Alfred E. Smith, Herbert H. Lehman, and my own father.

He was first elected to serve in the New York State Legislature in 1904, when he was only 27 years of age. He was a devoted public servant for 45 years, until his retirement from the United States Senate in 1949 because of ill health.

During his service in the State legislature and subsequently, during his 23 years in the United States Senate, he sponsored many, many separate pieces of legislation designed to improve the lot of the average American citizen. Of course, having been born abroad, he could not aspire to nationwide office, although his name was often mentioned as a Democratic candidate for the office of President and Vice President. He was satisfied, on the other hand, to serve his country in gratitude for what it had done for him, in the highest office to which a foreign-born citizen could aspire, the United States Senate. He will always be remembered as the author and sponsor of the National Labor Relations Act, passed in 1935, often referred to as the magna carta of labor, and the Wagner Act. He was the father of the Civilian Conservation Corps, the Social Security Act, the Federal Housing Administration, and various banking-control acts. At the time he resigned from the United States Senate he was the principal sponsor of the Wagner-Ellender-Taft bill for a Federal housing program and the Wagner-Murray-Dingell bill to establish a system of national health insurance. While a member of the State legislature he was responsible for one of the first workmen's compensation acts in the Nation.

I was never privileged to have an official association with Senator Wagner, although many of my colleagues were so privileged. Nevertheless, he was an old and dear friend of mine and of my family. We all mourn his passing, along with the rest of the Nation and his family.

Mr. Speaker, Senator Wagner's funeral is being held this morning and I want to take this opportunity to express to his family and friends my regret that the official duties of many of his friends who are Members of this body prevent our attendance. I am sure my col-

leagues join with me in expressing our sincere condolences to Senator Wagner's family. Their loss was a great loss to all of us and to the Nation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The life of the late United States Senator Robert F. Wagner is like the story of Horatio Alger that we all read as young men, and which to me was an inspiration in the forming of my thoughts and my character.

Bob Wagner was a man whose nobility of character, sweetness of disposition, and kindness, his tolerant understanding in his association with his fellowmen impressed itself upon the minds of all who met him and who knew of him.

He led a great life as a human being, as a citizen, and as a public official. His life was one of contribution to the strength of our Nation and to the progress of America and mankind. The life of a man like Bob Wagner leaves a heritage for others to follow and to aspire to follow. The great contributions made by Bob Wagner during his lifetime do not cease at his death. He has left a heritage that for countless future generations will impress the youth of America.

I had the pleasure of knowing Bob Wagner personally, and it is one of the memories I shall always treasure. He led a fruitful life, a constructive life, a progressive life; he gave to life the best that was in him. He did not think the world owed him a living; he felt that he owed to the world and to mankind the duty and the obligation of making every contribution that the great mind he possessed could make to mankind and to progress.

His death is a sad blow to the country, the State of New York, and a personal loss to his countless friends and admirers throughout the United States. To the loved ones he left behind I join with my friend from New York [Mr. ROOSEVELT] in extending my profound sympathy in their great loss and sorrow.

Mr. ROOSEVELT. I thank the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman from New York yield?

Mr. ROOSEVELT. I yield to the gentleman from Massachusetts.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all who desire to do so may be given permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INVESTIGATION OF FIRING OF CAREER FEDERAL EMPLOYEES

(Mr. BROYHILL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BROYHILL. Mr. Speaker, yesterday I introduced a resolution calling for full-scale investigation of the charges that holdover Fair Dealers in top positions are deliberately firing career Federal employees in an attempt to embarrass the Eisenhower administration. A number of career workers, some of them with as much as 25 or 30 years of service, have consulted me about this situation. Having devoted the best and most important years of their lives to the service of their Government, they now find themselves separated from their jobs without any valid reason, and in direct defiance of the announced policy of the President of the United States. If allowed to continue, this sort of thing could destroy completely the morale and efficiency of Federal workers as a whole. "Something is rotten in Denmark" and I believe that this Congress has an inescapable responsibility to correct the situation. I hope that this investigation will be promptly authorized.

Now let us look at this situation a little more closely. President Eisenhower has assured and reassured Federal career employees that they have nothing to fear. He has made this statement not once, but at least twice, and each time he has made it clear that this was a reasoned and deliberate pronouncement and not just something that happened to come up in a press conference. The President has made it plain that he expects to accomplish the reduction of the Federal work force largely through permitting jobs vacated by resignation, retirement, and normal turnover to remain unfilled. In 1952, 27.3 percent of all Federal employees left their jobs. In January of this year alone, 41,126 Federal employees were separated; 26,625 quit; 1,090 went into military service; 1,567 were fired, 2,825 were reduced in force; 4,426 appointments terminated; 2,191 went on extended leave without pay; and 2,402 retired or died. It is clear that the President is absolutely correct in his assumption that the necessary reduction of Federal employment can be accomplished through normal turnover.

There is no argument about the policy of reducing Federal employment. The very people who are complaining about the way in which they have been fired agree that there is room for reduction in the number of Federal employees. They realize that there is duplication and waste in the Government, that there is a great deal of overlapping of functions. They have no objection to reducing the number of employees; on the contrary, they are in favor of it, as, indeed, all good Americans must be. What they object to is the way in which it has been done. If only 1 or 2 cases were involved, we could dismiss this matter as just a couple of soreheads who probably got what was coming to them. But when employees descend upon my office in droves, and I am only one of the Congressmen from this area, and all of them tell the same story of dirty work afoot, then it is high time that we look into the situation. If

the ward heelers who came into office under the New Deal and the Fair Deal and who still retain high positions in the Federal Government are deliberately using this method to stir up resentment against the administration, then I say that we should send every last remnant of the Missouri gang packing. There is no room in the new administration for political hacks who will resort to such low tactics to gain their own sniveling purposes.

We have agreed that there is need for reduction in the number of Federal employees, and the employees themselves do not dispute this fact. We have seen also that the necessary reduction can be made by utilizing the normal turnover in Government positions. To be sure, some reassignments may be necessary when a particular function of the Government is eliminated, but it should be possible to place every career Federal employee in another position for which he is qualified. If necessary, the turnover rate could be accelerated by encouraging retirement of those employees who have had 30 or more years of service. I cannot emphasize too strongly that we can achieve economy and efficiency in the Federal Government without resorting to the indiscriminate firing of career Federal employees who have served their country faithfully and without regard to partisan politics for many long and eventful years.

Obviously, somewhere along the line, this policy is not being followed. The President has affirmed and reaffirmed his support. I have talked with some of the Cabinet members and I find that they too are in agreement. The fact remains, however, that in the departments and agencies, and presumably at a high level, these firings are being approved. What is the result of such a practice? First of all, employee morale in Washington has dropped to what I fear is rapidly approaching an all-time low. When morale is destroyed, so is efficiency. No employee who is dependent upon his job for the support of a family can do his best work when he is uncertain whether or not he will have a job the next day. It is to be expected that when a new administration comes into power there will have to be some changes among the political appointees at the top level. We Republicans have assumed that below those top policy making positions, personnel practices would be carried on according to the rules and regulations established by the Civil Service Commission. Apparently, this is not the case. Another result of the deliberate firing of career Federal employees is the deterioration of the economic situation in the Washington Metropolitan Area. Merchants and business people are already complaining that sales have dropped, that people just will not buy when they do not know whether or not their incomes will be reduced or completely removed. There is no reason why this situation should prevail. We should be able to say to the career Federal employees that they have nothing to fear. As a matter of fact, we have said exactly that and we have said it through the President of the United States. If his

word is being ignored, we should find out why, and who is doing it, and take immediate steps to remedy the situation. Our first move must be an investigation to get all the facts. Then we can act to rid the Government of the political hacks, the irresponsible little men who are trying to hurl monkey wrenches in the wheels of efficient Government.

[Mr. HOFFMAN of Michigan addressed the House. His remarks will appear hereafter in the Appendix.]

INVESTIGATIONS

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I am for the investigation suggested by the gentleman from Virginia. I am for the investigation because if he wants it I have no objection, but not for the reasons stated by him. Before the election the Democrats were damned by the Republicans. Now since the Republicans have been in office for over 100 days, all they can do is still damn us.

When are they going to take on their own responsibility? I think one of the most illogical reasons for an investigation I ever heard was the one mentioned, that is, to find out why Democrats are firing career employees in a Republican administration that is now over 100 days old. It must be that my friend is on the spot. I have been on the spot many times during the past 20 years in connection with reductions. I did not blame the Republicans or any coalition. I had to take it.

All I can do is suggest to my friend that during the next 4 years he better ride the waves. I am for the investigation if he wants it. This is the most investigating Congress I have ever seen. So if they want to have another one let them have it, but not as to why Democrats are firing career employees but, rather, to find out why the Republicans are firing them.

POLISH CONSTITUTION DAY

(Mr. EBERHARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EBERHARTER. Mr. Speaker, the House not having been in session on May 3, today I take personal satisfaction in again expressing to the Polish nation and to my many friends of Polish descent in America felicitations on this anniversary of the Polish Third of May Constitution Day.

During this month particularly, because of the many exercises throughout our country observing this holiday, the hearts of all free people are filled with pride of the accomplishments of this great nation, one of the first pioneers of liberalism in Europe, and with determination and hope that the innate love of the Polish people of freedom and democracy will soon prevail against the yoke of tyranny under which they are now suffering.

May God bless them and, with a strong hand, direct their rebirth in liberty and freedom.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

AMENDMENT TO EXPORT-IMPORT BANK ACT OF 1945

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4465) to amend the Export-Import Bank Act of 1945, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

Mr. GROSS. Mr. Speaker, reserving the right to object, what, then, will be the parliamentary procedure? How much time will there be for debate?

The SPEAKER. Debate will be under the 5-minute rule. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the Export-Import Bank Act of 1945, as amended, is hereby amended by inserting the following as subsection (c):

"(c) (1) The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100 million outstanding at any time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is in transit to or located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace of war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any government or public authority confiscating, expropriating or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured.

"(2) Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.

"(3) In providing insurance pursuant to this subsection, the Bank may reinsure in whole or in part any company authorized to do an insurance business in any State of the

United States or may employ any such company or group of companies to act as its underwriting agent in the issuance of such insurance and the adjustment of claims arising thereunder.

"(4) Subject to the limitations herein provided, the Bank shall from time to time determine the terms and conditions under which it will provide insurance pursuant to this subsection: *Provided, however,* That such insurance shall be based, insofar as practicable, upon consideration of the risk involved: *And provided further,* That the term of coverage of any such insurance shall not exceed 1 year, subject to renewal or extension from time to time for periods of not exceeding 1 year as may be determined by the Bank."

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill very simply authorizes the Export-Import Bank to insure exports of goods which move in foreign trade. It does not insure the goods while in transit until they get to the foreign country. Now private insurance companies and Government under war-risk insurance cover these goods while in transit on the ocean and for 15 days after they arrive at the port of destination. When they are unloaded at the port of destination they can apply for insurance under this act.

The purpose of this bill is to move American goods abroad which are now not moving. It applies particularly to cotton and tobacco and other agricultural commodities, but it is not limited to agricultural commodities, so in practice and in effect all goods which are to be warehoused abroad and are not sent to a foreign consignee can be insured so long as the title to the goods is in a citizen of the United States abroad.

I think it might be recognized that our export of cotton has fallen down materially in recent years. This will allow the cotton exporters to warehouse cotton abroad for the purpose of moving into the foreign markets upon demand.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. GROSS. Is there any prohibition in the bill that would stop indemnification of machine tools located in a factory that was shipped overseas, and stored in a factory in some foreign country?

Mr. WOLCOTT. Yes. The gentleman means not warehoused for resale?

Mr. GROSS. That is right; not for resale, but used in a factory.

Mr. WOLCOTT. No. They would not then be in commercial intercourse.

Mr. GROSS. Where is the prohibition?

Mr. WOLCOTT. In lines 4 and 5 on page 2, which reads "which is exported from the United States in commercial intercourse."

The goods to which the gentleman refers would not be in commercial intercourse.

Mr. GROSS. Suppose they were machine tools shipped to Ford automobile plants in Paris or somewhere in England?

Mr. WOLCOTT. They would not be in commercial intercourse. Whenever title passed to the Ford people at wherever the Ford plant is located this insurance would no longer apply.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to get the gentleman's answer to this question: We will say that Anderson Clayton Co. ships abroad \$100 million worth of cotton and stores it in other countries of the world. Can that cotton be insured at full value up to the \$100 million; and if so, for how long?

Mr. WOLCOTT. That is left to the discretion of the Export-Import Bank. I do not think I have made it clear that these goods are insured against loss only from hostile or warlike action which occurs in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any Government or public authority confiscating, expropriating, or requisitioning such property.

The purpose of the bill is to insure these exports against losses due to expropriation, revolution, civil war, or acts of a hostile or warlike nature. So I presume there would be a limitation upon the amount of cotton or the amount of any other commodity warehoused abroad.

I might say also that we took into consideration the question of premiums. The premiums may vary from country to country. This is no actuarial history. They have had no experience in this type of insurance. They cannot now put a present evaluation upon the probable losses. They will have to feel their way along on it. So the premiums which are to be paid are to be set under regulations by the Export-Import Bank, taking into consideration the probable losses. Of course, the premiums constitute a limitation upon the length of time the cotton or other commodity can be profitably warehoused abroad.

Mr. AUGUST H. ANDRESEN. Then, as I understand, it does not cover spoilage, or deterioration, or loss by fire?

Mr. WOLCOTT. No.

Mr. GROSS. If the gentleman will yield further, the phrase in the bill is "friendly foreign country." Would that apply to Yugoslavia, for instance?

Mr. WOLCOTT. I do not know. I think we must take into consideration that the National Advisory Council, which is the umbrella over all the financing agencies of the United States Government, financing foreign loans, shipments, and insurance, is the advisory council of the Export-Import Bank. The Secretary of State is a member of the National Advisory Council, so I presume that in determining whether a foreign country is a friendly country the administrators of this law, who will be the Board of the Export-Import Bank, would consult with the National Advisory Council and get the benefit, of course, of State Department thinking in respect to whether a country classifies as a friendly country.

Mr. GROSS. Who asked for this bill?

Mr. WOLCOTT. Representatives of the Department of Commerce testified, and the Department of Agriculture. It is cleared with Treasury, and cleared with the administration generally. I personally cleared it with the Treasury Department. We had statements that the bill was advocated by the Department of Commerce, but I think primarily it was sponsored by the Department of Agriculture.

Mr. GROSS. Has the gentleman stated why the private insurance companies will not insure these goods?

Mr. WOLCOTT. Yes, because they are not set up to do it, but they do insure shipments in transit. If you will read section 2 of the bill, you will find the following language:

(2) Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HUNTER. I would like to say to the gentleman from Iowa that this particular bill has the full support of the Department of Agriculture, and it is also supported by producers of such crops as wheat, cotton, and tobacco, which are exported in large quantities. The domestic economy in those fields depends to a very great extent on our success in exporting such crops. At the present time, insurance is not available to the extent that it is needed. I understand that the only offer of this type of insurance was from Lloyds of London, but the rates quoted make it prohibitive.

Mr. WOLCOTT. Lloyds will insure anything, if you pay a high enough premium.

Mr. GROSS. The gentleman from California surely is not saying that this bill applies only to agricultural products because there is no such statement in the bill.

Mr. WOLCOTT. I do not think he intended to make that statement, and I made the statement most definitely that although the purposes of the bill primarily were to move agricultural commodities, the bill is not limited to agricultural commodities, but applies to all exports.

Mr. GROSS. I know the gentleman from Michigan made that statement. But I gathered from the statement made by the gentleman from California that he was confining it to agricultural products. There is no such definite statement in the bill.

Mr. HUNTER. What I said was that the bill was supported by the Department of Agriculture and by the producers of the crops which I enumerated.

The SPEAKER. The time of the gentleman from Michigan [Mr. Wolcott] has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentle-

man from Michigan may be permitted to proceed for 2 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. The gentleman from Iowa made a very sound and pertinent inquiry to which the gentleman from Michigan replied that if private insurance companies could not insure in connection with this business, then the Government would, is that correct?

Mr. WOLCOTT. That is right.

Mr. McCORMACK. And even where the Government has to insure, if later the private insurance companies can cooperate or participate in part, they are permitted to participate under the provisions of the bill; is that not correct?

Mr. WOLCOTT. Section 3 provides that they may participate with private insurance companies. It is quite general, as the gentleman well knows, that many insurance companies sometimes pool the risks, and the Export-Import Bank can pool its risks with private insurance companies with respect to this.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GROSS. I do not know whether the question is that the private insurance companies cannot or will not provide this insurance. I think there is great difference.

Mr. McCORMACK. There is. But, on the other hand, the situation, as I understand it, covers the field where if they either cannot or will not, then the Export-Import Bank as provided in the provisions of the law can do it. But, if private insurance companies can or will do it, then this bill says that they can do it.

Mr. WOLCOTT. We do know that private insurance companies will provide this insurance but at a prohibitive premium. Lloyds of London will insure anything, but you have to pay a prohibitive price for it; so, of course, if we provided that this insurance cannot be had unless it can be obtained from private enterprise, then we would nullify the whole purpose of the bill.

Mr. McCORMACK. I simply wanted to ask the gentleman from Michigan if my understanding of the bill is correct, from my reading of the bill and the report, that even if the Government does go in to the extent of 100 percent to make this insurance if the private insurance companies are willing to take part of the insurance, they may do so through the Export-Import Bank.

Mr. WOLCOTT. Yes.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COLMER. From my reading of the bill and the report, which is very brief, I got the distinct impression that the object of this whole legislation is to give our farmers and producers an opportunity to have their goods on the ground in these foreign ports so that they will have a better opportunity to compete with other countries in the dis-

position of our farm products and manufactured goods.

Mr. WOLCOTT. That is correct.

Mr. COLMER. I thank the gentleman.

Mr. WOLCOTT. Instead of selling f. a. s. New York or Baltimore, they sell f. o. b. their warehouse in the foreign country and thereby take advantage of the market in the foreign country.

Mr. BROWN of Georgia. Mr. Speaker, I move to strike out the last two words.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. Brown] may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. HALLECK). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The gentleman from Georgia is recognized for 10 minutes.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Speaker, the farmers of the United States are in an extremely difficult situation as a result of the loss, to a great extent, of our export trade. They have gone all out in their effort to supply food and fiber which their Government told them would be required for their own use in this period of mobilization and for the use of our friends and our allies abroad. Now they find they cannot dispose of their production. Prices are tumbling on all of the principal agricultural commodities. For instance, in the last year cotton prices have declined about 20 percent, corn and oats 13 percent, beef cattle 28 percent, lambs 24 percent, wheat 6 percent, and milk 9 percent. In most cases the reason for this drastic decline can be found in the reduction of our agricultural exports. Ways and means must be found to stimulate our exports in order to prevent drastic curtailment in crop production and in farm income which would be hard not only on the farmers but on the whole economy of this country.

One way in which we think we can help stimulate exports of agricultural commodities is through the passage of H. R. 4465 to amend the Export-Import Bank Act to provide insurance protection abroad against the unusual risks of war, insurrection, confiscation, etc., for commodities which are owned by United States exporters or which are held as collateral by United States interests. This bill would, in my opinion, stimulate and facilitate exports of a number of our agricultural commodities. It could also be used for manufactured articles which are able to qualify.

The present administration and the business people of this country fully realize that something must be done to regain our export trade. Thus, this bill is endorsed by the Directors of the Export-Import Bank, by the Secretary of Commerce, by the Department of Agriculture, by the American Farm Bureau Federation, by the National Cotton Council, by the National Council of Farmer Cooperatives, by the banks, by

the Cotton Shippers Association, by the United States Treasury, and by the State Department, and it was voted out of the Banking and Currency Committee by unanimous vote.

The continued prosperity of American agriculture may depend to a large measure on our ability to maintain agricultural exports in the future. Since agriculture provides the largest single market outlet for the industries of this country, the prosperity of the entire economy will be influenced by the level of agricultural exports.

The dependence of agriculture on export markets is illustrated by the figures for some of the principal crops. United States has been exporting over half of its rice, over 40 percent of its wheat, better than a third of its cotton, at least one-fourth of its tobacco, approximately one-fourth of its fats and oils, and from 20 to 30 percent of many of its fruits in fresh or dried form. The free world depends upon these American farm products which are simply not available in adequate quantities anywhere else. The continued supply of these essential commodities may well influence the peace and security of the free world.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. WOLCOTT. I might say to the gentleman that the committee listened most intently to what the gentleman from Georgia had to say on the bill; and the House should also, for the gentleman from Georgia introduced a bill identical to this one and he is recognized on the committee and should be recognized on this floor as an outstanding expert in the marketing and merchandising of cotton. Throughout the years we have served together it has been my pleasure to bow to the intense interest the gentleman has had in this problem, and I know it is actuated primarily with the idea that we have got to move our cotton crop.

We up in the North likewise are interested with the gentleman in moving the cotton crop and in doing what we can for the export of his cotton. It is bound to be of tremendous service to the economy of the United States, because unless they sell cotton down South we are not going to sell very many automobiles in Detroit.

Mr. BROWN of Georgia. I greatly appreciate the fine compliment of my distinguished and able friend, the gentleman from Michigan.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. GROSS. I respectfully submit that there is no limitation in this bill. It may be cotton, it may be machine tools, it may be anything else.

Mr. BROWN of Georgia. Yes; the Export-Import Bank will decide that. Here we have tremendous surpluses and this is one way to move same. This will be at no cost to the Federal Government because the premium on this insurance is paid by the exporters of the country.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. BAILEY. Two years ago we exported 32 million tons of soft coal largely due to the Marshall plan, but it has been reduced in the current year to something less than 7 million tons. Does the gentleman see any way by which the coal of my State could benefit by this plan?

Mr. BROWN of Georgia. Coal can come in like other commodities. That, of course, would be passed on by the Export-Import Bank.

Mr. BAILEY. Then we could expect this to assist them to regain the markets they have lost?

Mr. BROWN of Georgia. Yes.

Foreign sales of most of our important agricultural commodities have declined precipitously in the last few months and if something is not done to arrest the trend it may continue even further. Cotton exports are running only half of what they were a year ago. Wheat shipments are down almost a third, tobacco sales in foreign markets are down approximately 10 percent, and other agricultural exports have also been dropping. In value agricultural exports, according to the Department of Agriculture, are running at an annual rate of only \$2.9 billion as contrasted to about \$4 billion only a year ago. Measured in tons, total shipments of agricultural commodities currently are down at least 20 percent.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from West Virginia.

Mr. BAILEY. How much of the surpluses the gentleman is trying to find a market for are held by the individual farm people? We are talking about surpluses in cotton and tobacco and wheat. Now, how much is held by the Government that have been taken up in the way of support prices?

Mr. BROWN of Georgia. I am not in position to tell the gentleman what that is. Wherever it is, the point is, it is surplus.

I would like to explain the way in which this insurance could stimulate exports by using cotton as an example. As I stated earlier, cotton exports for the first six months of the season were only about half of what they were for the same period last season and considerably below what we think of as normal. Much of this decline has come about as a result of a reduction in foreign stocks. The pipeline stocks of cotton (that is the stocks in mill and merchant establishments) in the cotton consuming countries of the world have been reduced drastically and are now thought to be at the lowest level of peace-time and far below what is considered to be desirable or efficient. Most of the reduction has been in the stocks of U. S. cotton. The reasons for the reduction are the lack of dollars to buy this cotton, the difficulty and high cost of obtaining credit, the general feeling of uncertainty as to market conditions, and the fear of another inventory devaluation as the result of a further decline in the level of the cotton market. This fear is accentuated by the uncertainty of export policies, especially in Brazil, Pakistan and Turkey.

It is extremely difficult, if not impossible, for foreign mills and foreign merchants to protect themselves against inventory losses by hedging their stocks on the cotton futures exchanges. There are no futures exchanges operating except in the United States, and here the operation requires dollars which are not usually available to foreigners in adequate amounts for this purpose. While the cotton market was advancing this was no problem, but since the market has been declining those unable to hedge their stocks have been forced to reduce their stocks to avoid a possible loss. Then, too, many foreign mills took tremendous inventory losses in the last few years when market prices tumbled after being bid up from scare buying, and these losses seriously impaired their operating capital and forced many mills to restrict their buying to a hand-to-mouth basis.

The cotton pipeline must be rebuilt for the security of the foreign mills and to permit maximum efficiency in their operations. It would take more than a million bales to rebuild the foreign pipeline to a level that is considered by foreign mills to be desirable. If insurance can be provided so that American shippers and American banks can be protected against the so-called political risk, then American interests can assume much of the responsibility for rebuilding and maintaining the pipeline. The dollar outlay of the cotton-consuming countries will be reduced to the extent that the cost of the pipeline is financed by United States private interests. During this period when foreign countries are all short of dollar exchange and when foreign mills have a very limited operating capital it will be a real benefit to them if they can be relieved of at least part of the financial obligation of carrying these inventories. This also reduces the problem of the Mutual Security Agency in helping these countries pay their own way.

United States shippers can finance these stocks cheaper and with less hazard than foreign mills can. In the first place, interest rates in the United States are from one-half to one-third what they are in most foreign countries. Then the United States firms can protect the cotton on the futures exchanges in New York or New Orleans.

Another real advantage of this proposal is that it would increase consumption of United States cotton. Under this arrangement cotton would be stored in foreign ports and would be available to the mills as they required it. Mills would be permitted to make selections of the qualities they desired. Since the proposed insurance would be limited to United States cotton other cotton would not be available to the mills to the same extent and under the same conditions. This would be a real advantage to increasing the consumption of United States cotton, particularly when the foreign mills are operating on a hand-to-mouth basis.

Another real advantage of this insurance would be to permit United States merchants to sell on deferred payment terms. At the present time only a few

very large firms with ample capital are in a position to sell on deferred payment terms because of the risk involved. Banks will not usually accept cotton stored in foreign countries as collateral against loans so that firms selling on deferred payment basis must finance such sales with their own capital. For these reasons only a small volume of business is done on this basis. With this insurance the banks have indicated that they accept cotton in foreign countries as collateral and will assist United States merchants generally in financing cotton sold for deferred payment especially sales providing payment on arrival. This should be of particular advantage to the smaller shipper. In view of the reduction in operating capital in foreign mills and the limitation and high cost of credit, permitting mills to pay for cotton after arrival in the foreign country instead of before shipment is a real advantage. Such advantages in selling terms may be very helpful in offsetting price disadvantages which United States cotton now has.

Under normal conditions this insurance program should not cost the Government anything as premiums charged should be sufficient to cover cost. Even in the event of all-out war it is inconceivable that all the commodities insured would be lost. The total liability to the Government under any and all conditions would not exceed \$100 million.

H. R. 4465 is not in itself a complete and final answer to all problems of agricultural exports but it is one way to help private industry help itself increase exports and thus further improve the position of agriculture.

(Mr. DEANE (at the request of Mr. SPENCE) was given permission to extend his remarks at this point in the RECORD.)

Mr. DEANE. Mr. Speaker, I represent a district that grows a considerable amount of cotton. In fact, half of the counties in my district in North Carolina produce cotton in a considerable quantity. Naturally, I am very concerned over the outlook of our cotton farmers and the factors which influence the price of cotton.

Lately, I have grown apprehensive over the effect of the rise of synthetic fibers in competition with cotton in the domestic market and the shrinking of outlets for our cotton in foreign markets. At this time, I think that it behooves us to make a careful analysis of these factors which will have great effect upon the price of cotton in the months and years ahead and to take the proper steps to protect the cotton-growing industry in our country.

In the South there are limited opportunities for alternative crops which would give farmers anywhere near the same income they now receive per acre from cotton. Shifts into other major crops of any sizable acreage over a short period of time simply contribute to the oversupply conditions for the other crops. Shifts into livestock production take time. A permanent loss of two to three million bales of cotton exports would mean a reduction of income that would be disastrous to the economy of the South.

DOMESTIC CONSUMPTION

Although domestic consumption of cotton is averaging nearly one-third above that of the 1930's and appears to be holding its own at nine and one-half million bales, cotton is meeting stiffer and stiffer competition from synthetic fibers. Price is a major factor in this competition. It is in industrial uses that cotton is meeting the keenest competition and is losing out. From what we hear cotton has just about lost out completely in the tire-cord market. Also, many other industrial products are now being made from synthetic fibers. Cotton has also lost much ground in the bag market. Competition from jute and paper is very keen in this field.

Despite the intense competition in industrial uses, cotton has been able to hold its own in the domestic fiber market only because gains have been realized in many household and apparel uses.

FOREIGN CONSUMPTION

The recent decline in cotton exports, which for the current season are averaging just about one-half of the rate for last season, is the major cause for concern. Unless exports pick up soon, it looks as if marketing quotas will be inevitable for next year. This will require production controls. With production curtailment and lower prices, farm incomes will suffer. In this connection I might add that net farm income may very likely suffer to a greater extent than gross farm income. This is because farmers today, who have mechanized their operations and have adopted other scientific and improved techniques, have increased their cash operating costs as compared to a generation ago. Farmers will find it more difficult to cut back production today and continue to produce profitably. I might add, here, that this is not only true for cotton farmers but for all farmers as well. The maintenance of our export markets will have a tremendous impact upon American agriculture's ability to continue its progress toward greater efficiency.

A large volume of production in agriculture as in industry leads toward lower unit costs.

There are many aspects of the foreign demand picture for cotton which indicate that many of the reasons for the slow movement of cotton this season are to some extent temporary. We understand that the great upheaval in the foreign textile industry following the outbreak of the Korean war has now for the most part run its course. Cotton mills and the textile trade in foreign countries which were caught with inventories based on the fantastically high prices of 75 to 80 cents a pound for raw cotton in early 1951 lost heavily when cotton prices declined later in the year. These mills are now buying cautiously partly because they remember their recent experiences and partly because their capital reserves have been whittled down to bare operating levels. Credit is expensive and hard to obtain in the rest of the world. As a result raw cotton stocks in the principal consum-

ing countries are too low to permit the most efficient operation.

The fact that the total world supply of raw cotton is not far out of line with present consumption rates also lends encouragement to the hope that the recent drop in United States cotton exports is temporary.

With this background it is apparent that we should do everything in our power to expedite the recovery of normal trade.

In view of these conditions, Mr. Chairman, I strongly favor H. R. 4465 that would give authority to the Export-Import Bank the right to issue war-risk and expropriation insurance on goods and commodities of United States origin and ownership which are commercially exported from the United States and located in, or in transit to, any friendly foreign nation.

Mr. SPENCE. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, I do not think we can overestimate the importance of expanding our foreign market for agricultural products. I know how strenuously, how earnestly, the tobacco raisers of my State have sought this market. This bill will stimulate the export of American agricultural crops and all other goods because there is no limitation on what can be insured.

Another argument in favor of the bill is that it will be administered by the Export-Import Bank. There is no agency of our Government that has operated with greater success or with finer judgment than has the Export-Import Bank. It has sustained but small losses and made immense profit.

It has done something else that is not stated in the report. It has been more than anything else an instrumentality of international good will. You cannot make friends by gifts. The way to make friends is by constant association and by contact of business interests. The Export-Import Bank has been the means of reconstructing many of the destroyed factories, mills, and other great industries of our allies.

I had the pleasure of visiting and investigating these investments a couple of years ago and I was impressed with the great results that had been achieved by the investments and by the continuing influence and advice of the Export-Import Bank. The people over there, the Governments and the industries, are vitally interested in this great agency of ours. We met with them and discussed their problems. They have had the advice of the American experts on the work they were doing. I saw where their great industries that had been absolutely destroyed by the war had been reconstructed and were going at full speed again. If you are going to judge the future by the past, you can place confidence in the Export-Import Bank and the way in which it will administer this insurance. As the gentleman from Michigan [Mr. Wolcott] has stated, this insurance might be obtained from some gambling institution, but it would not be obtained at rates that would persuade the American exporter to take it. He

can get marine insurance while the goods are in transit, but when they come to rest in a foreign country that insurance expires and he has no means of obtaining reliable insurance at anywhere near reasonable rates. It will enable us to establish an American market over there through which we can sell to the people the goods of America as they need them.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. GROSS. Well now, what does the gentleman fear in these friendly nations? What does the gentleman fear by way of expropriation or confiscation?

Mr. SPENCE. I do not know what conditions will arise that may cause loss that will be insured under the provisions of this bill.

Mr. GROSS. This indemnification, these loans, is for 1 year.

Mr. SPENCE. Well, I do not think that is a valid argument against this bill.

Mr. GROSS. No, the insurance companies will not be hurt, but the taxpayers of the United States will be hurt.

Mr. SPENCE. We heard of no objection from anybody in regard to this bill. The committee reported it unanimously. It is a good bill, and it ought to be passed.

Mr. OAKMAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I arise in support of H. R. 4465, the bill now before the House. This measure, as reported out by the Banking and Currency Committee, of which I have the honor to be a member, I am convinced is a good one. My only criticism might be that it does not go far enough in some respects.

As I understand it, the bill had its inception as a means chiefly of curing some of the difficulties now encountered by American exporters of cotton and tobacco in connection with stocks maintained in friendly foreign countries.

That is well and good. Cotton and tobacco bulk large among the commodities exported from the United States. Anything that can be done legitimately to expedite and increase such exports on a sound and profitable basis should be done.

But cotton and tobacco, Mr. Speaker, are not the only American products which are exported each year in large quantity. Many other commodities of equal or even greater importance are exported. These include not only the other agricultural staples, such as grain, but also manufactured products, including automotive vehicles, parts and equipment, chemicals, pharmaceuticals, and so forth.

The bill now under consideration authorizes the United States Export-Import Bank to issue insurance against certain war risks and against expropriation on American exports located in or in transit within friendly foreign countries. The bill does not expressly limit the number or kinds of commodities eligible for such insurance. Yet it does in effect provide a limitation.

This effective limitation on the number and kinds of goods which might ex-

pect to be insured rests in the fact that the bill would authorize the Export-Import Bank to provide insurance in an aggregate amount not in excess of \$100 million outstanding at any one time.

But in the course of committee hearings on the bill, it was testified by representatives of the cotton and tobacco growers and exporters that these 2 commodities alone would require insurance each year totaling somewhere between \$75 million and \$100 million. And these are only two of the vast number that are exported.

Then it is easy to see, Mr. Speaker, that such insurance to the extent of \$100 million would not go far in covering the vast total of insurable goods exported from the United States each year. If I am not mistaken, American exports last year amounted to about \$15 billion.

I grant you that the bill, in its present form, provides for a limited insurance program on grounds that it is as yet purely an experimental program. It was so stated in the committee report. Perhaps it should properly be so regarded. Possibly the Congress, in its wisdom, should wait to see how the limited program works, before increasing the insurance authorization.

To await results before expanding the coverage and hence the amount of money risked, no doubt is the course of prudence. But there are reasons to think that the success of this program is assured before it ever is put to the test.

The purpose of the Export-Import Bank, as laid down by the Congress is "to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof."

Over a period of 18 years the bank has had a remarkably successful experience. In spite of what might appear to be excessive risks, involved in extending credits to foreign agencies and foreign nationals for the purchase of American goods, and involved in the conduct of business in a world of economic confusion, the bank is not only solvent but has shown a substantial profit. A profit for the American people.

On an authorized capital stock of \$1 billion, and with loaning authorization up to \$4.5 billion, the bank showed at the end of the last calendar year a total of \$292,400,000 in accumulated net earnings available as a reserve against any future losses, and gross interest earnings for the fiscal year of \$70 million.

After paying operating expenses approximating \$1,000,000, after paying \$17,200,000 for interest on money borrowed, and after paying a \$20 million dividend to the United States Treasury, the bank added a net profit of \$31,800,000 to its earned-surplus account.

All of this, Mr. Speaker, does not look like a record of accomplishment that would leave room for doubt concerning the bank's ability to conduct an insurance business, such as proposed here, on a sound and profitable basis. The same management that has succeeded with the Export-Import Bank would be

responsible for the insurance operation.

For those who might object to Federal Government entry upon still another field of insurance, let me recall once more the fact that this bill provides in effect that the bank shall operate solely to assist, encourage, and not to compete with privately owned insurance companies.

In conclusion, Mr. Speaker, I should add that other and, it seems to me, equally important safeguards against wrongful, and perhaps political, operation of the insurance program are provided in this bill.

Under these provisions, insurance issued and outstanding would be treated by the bank as a charge against its existing loan and guaranty authority. Thus no vast and burdensome increase in such authority would be necessary.

The insurance would not cover goods that are moving with reasonable ease and expedition through the channels of foreign trade, but only goods, normally constituting an exportable surplus, which really need such insurance in order to be sold abroad through regular commercial channels.

In no instance would the insurance be permitted to assume any form or application which would in effect shield businessmen from normal risks of business, nor would it in any sense insure profits or prices.

When everything is considered, Mr. Speaker, it seems to me that the bill now under consideration, if enacted, would constitute an important factor in helping to stimulate trade, not aid, a desirable end toward which the Congress is striving on a broad front, comprising reciprocal trade agreements among other things.

(Mr. OAKMAN asked and was given permission to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, I move to strike out the last word and I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER pro tempore (Mr. HALLECK). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, for the last few days I have been reading newspaper articles which at first did not worry me too much or concern me too much. I made no plan to discuss them on the floor—even give them any attention—until the matter appeared in my home newspaper. Because the ridiculous charges of the gentleman from Virginia [Mr. BROYHILL] regarding the discharge of civil-service employees "by holdover supervisors" have spread throughout the country, I think the people are entitled to know the truth; at least, I want the people back in my home area to know the truth. For that reason I rise here this afternoon in support of the resolution offered in this House yesterday by the gentleman from Virginia [Mr. BROYHILL]. I think the resolution should be unanimously supported by every Member of this House. I know every Democrat will support it. I think the people are entitled to know the truth

about who is firing top career people in the Government service.

I think the gentleman from Virginia, like most other Members fighting for congressional seats last fall, campaigned on the issue of economy, charging that the Government had far too many employees, and that if they came down here to Washington to sit in the new Congress they would work toward reducing the number of Federal employees. Now we find when the time comes and the number of Federal employees are being reduced the party that was blamed for having too many Federal employees is now blamed for reducing the number of Federal employees. So I think we should find out who is responsible, who is discharging these career employees of the Federal Government. Mind you, I do not know nor have I any opinion on whether the various individuals with whom the gentleman from Virginia [Mr. BROYHILL] concerns himself should have been the victims in reductions in force. I certainly am sympathetic with the career employee who suddenly, after 20 or 30 years of service, finds himself without employment. I think he is entitled to know why he must be separated from Government service. Frankly, I think he will find more Republican than Democratic politics involved, claims of the gentleman from Virginia [Mr. BROYHILL] notwithstanding. But I think we should be fair in this matter. For that reason I think the House should act on the resolution of the gentleman from Virginia.

Mr. KARSTEN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield.

Mr. KARSTEN of Missouri. I heard as a campaign slogan last fall something about a new broom sweeping everything out. I just wonder how this fits into the picture.

Mr. PRICE. I do not know how it fits into the picture. Maybe some of the people do not want to be swept out, or maybe the broom is sweeping too close to home, catching many of those who honestly believed a change would be good even for Federal workers. I do not know what the answer is.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Minnesota.

Mr. McCARTHY. As I recall, the Republican candidate for the Presidency has said he is opposed to wholesale firing. Has he ever defined what he meant, by "wholesale firing"?

Mr. PRICE. No; I do not believe he has.

There is not a Member of the House who does not believe in economy and efficiency in Government, but wholesale firing for political purposes is a threat to the merit system and will lead to the destruction of our civil-service system.

Mr. McCARTHY. Does the gentleman suppose the committee that is being proposed might make a definition of it?

Mr. PRICE. Perhaps. I certainly hope the Civil Service Committee acts on the resolution of the gentleman from Virginia. And since this is an investigation Congress, I also hope it goes into

an investigation as to the necessity of reholding civil-service examinations to establish eligible registers for postmasterships. I imagine that is going to cost the Government considerable money. There certainly is no economy in such action.

Over 2 weeks ago I asked the Civil Service Commission to define for me the difference in the standards of applicants for postmasterships now as compared to the previous standards. Up to this time I have had no reply.

The reason I take the floor this afternoon is to support this resolution. Let us find out who is discharging these career employees.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from West Virginia.

Mr. BAILEY. Some weeks ago the newly appointed Secretary of Commerce in a speech said that he felt there were some Trojan horses still left by the previous administration that were impeding the new administration. Could that be what the gentleman from Virginia is proposing the situation is? If it is a fact, I think we should have this investigation to find out.

Mr. PRICE. I cannot speak for the gentleman from Virginia. I appreciate the situation of the gentleman from Virginia. His constituency last fall voted for these reductions, and now that they are getting them the gentleman from Virginia [Mr. BROYHILL] tells us, they do not want them.

[Mr. HOFFMAN of Michigan addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

The Clerk will read.

The Clerk read as follows:

Sec. 2. Section 7 of the Export-Import Bank Act of 1945, as amended, is amended by substituting in lieu of the words "loans and guaranties" the words "loans, guaranties, and insurance."

Mr. LANTAFF. Mr. Speaker, I move to strike out the last word and ask unanimous consent to proceed out of order for 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, may I inquire of the gentleman—but first I must say I do not intend to object—what particular political issue he intends to speak about?

Mr. LANTAFF. The issue which you just finished discussing.

Mr. HOFFMAN of Michigan. I thank the gentleman; it is well worthy of your attention.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object. Of course, the Committee on Banking and Currency has built up a reputation for dealing with controversial subjects. Today, we brought to the floor of the House a bill which we did not think was controversial. I would like to keep it from becoming controversial, if I can, even if we have to object to the gentleman speaking out of order. So, I think perhaps while I will not object to the gen-

tleman at this time speaking out of order, may I suggest that no other Members ask permission to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. LANTAFF. I yield.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. O'HARA] may extend his remarks at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am a little embarrassed for my good friend and colleague on the other side of the aisle. His timing was not up to the gentleman's usual sagacity. It was an unfortunate time for a Republican to make philosophical comments and to draw partisan conclusions on the last 20 years. I respectfully suggest that the unanimity of favorable sentiment for the bill now before us is evidence that they were 20 years of good, sound, constructive legislation.

H. R. 4465 is a bill which well may have an important part in warding off another depression. It would not be before us today if 18 years ago a Democratic President and a Democratic Congress had not united in the establishment of the Export-Import Bank. Just another case of New Deal legislation, having served to lift us out of the last Republican depression, now affording the strongest buttress against another Republican depression.

It is a happy augury, and reflective, I think, of the real statesmanlike character of the House, that there is no controversy of a partisan or other nature on the passage of H. R. 4465. It was reported from the Banking and Currency Committee by unanimous vote.

It is admittedly experimental, but is expected to bolster up the cotton market—which has been showing some signs of weakening—by making it possible to finance—through necessary war-risk and expropriation insurance—the storing of American exports in foreign warehouses until advantageous sales are arranged. Manufactured exports usually are transferred to foreign purchasers on delivery; not so in the case of cotton and some other agricultural products.

Times are too ticklish to toy with situations which might blow up and destroy our entire economy. The collapse of the cotton market could have tremendously serious repercussions. The gentleman from Georgia [Mr. BROWN] always has shown sympathetic understanding of the problems of the urban centers and of the agricultural areas of the North. With the great chairman of our committee [Mr. Wolcott], whose gracious and deserved words of esteem for the gentleman from Georgia we all appreciated, and with the great and beloved ranking minority member [Mr. SPENCE], I accept as authoritative the gentleman's judgment of how best to meet the problems in the cotton market.

In committee I was entirely easy in mind over the authorization to the Bank to insure American goods in foreign lands against what might be regarded as political risks. Assurance was given, however; (a) that the Bank would act in close cooperation with the State Department, and (b) that the insurance would be of such a character as to preclude the possibility of it being construed as a guarantee of the stability of a foreign government. With this assurance I supported the bill in committee because of the good reputation of the Export-Import Bank and because I think it tremendously important to do all that we can to encourage and build up our export trade.

The Export-Import Bank has \$1 billion of authorized capital stock, all of which has been subscribed by the United States. It also may borrow from the Federal Treasury up to \$3.5 billion, which gives it \$4.5 billion for its work in aiding the financing of, and in facilitating exports and imports. It is the principle instrumentality of the United States in advancing loans in foreign countries under point 4.

In its 18 years of operation the Bank has accumulated net earnings—available as a reserve against future losses—amounting to \$292.4 million. Last year it paid into the Federal Treasury in interest and dividends \$37.20 million and still had a remaining net profit of \$31.8 million.

With other members of the Banking and Currency Committee, I share real pride in the record of the Export-Import Bank. Through the Export-Import Bank the United States pumps tremendous sums into foreign lands, strengthening the economies of those lands and building expanding markets for our manufactured products, and shows a handsome profit. On its record it has almost solid bipartisan support, despite its New Deal origin.

The United States today is, first, the world's greatest creditor nation; second, the world's largest importer; and third, the world's largest exporter. We are more and more dependent for continuance of our prosperity upon our export trade. H. R. 4465 makes contributions to that end. I urge its passage.

Mr. LANTAFF. Mr. Speaker, discussion has been had this afternoon about speeches and campaign speeches with reference to employees of this Government and the political way in which they are now being treated. I would like to call attention to a campaign speech made, prior to the election, by President Eisenhower.

In a campaign speech prior to the election, President Eisenhower stated: "The single choice, the single standard"—for Federal jobs—"shall be merit and not political awards," and the Republican Party assured the people of this country that if elected, they would promote efficiency and economy in Government. Notwithstanding these campaign pledges the first major action of the Postmaster General was to request the Civil Service Commission to discard Civil Service registers for 1,700 postmaster positions and give new examinations. The announced

policy of careful personnel planning seems to have been forgotten in a wild scramble for political patronage that could well lead to a breakdown of our civil-service system.

Upon investigation, I was astounded to learn that of the 1,700 examinations to be discarded, 1,666 examinations had been completed or partially completed. Of this number, 205 are registers containing less than 3 eligibles and for which the Postmaster General requested new examinations immediately after he took office.

The Civil Service Commission had already expended \$265,777 in completing the 1,461 examinations which the Post Office Department has now requested be cancelled. In addition, it is estimated that it will cost \$450,000 more to conduct these examinations over again. Based on these same figures, the cost of calling new examinations for the 205 registers containing less than 3 eligibles will approximate \$61,500. The total cost to the taxpayers, therefore, of this patronage inspired move will add another half million dollars to the taxpayers' burden.

But, what is the reason advanced for this wasteful and extravagant action? It is stated that the new administration seeks to raise the standards for the postmaster examinations. I have always been under the impression that the Civil Service requirements were very high. According to the Civil Service manual, all applicants for a first class postmastership must show they have had business training and experience comparable with the duties of a postmaster. Since I came to Congress, there has only been one vacancy in this classification in my district. Nine business men in that town took the examination, but eight of these men failed to meet the stringent requirements established by the Civil Service Commission and the Post Office Department. Constituents complained to me that the established requirements for this particular examination were too high; but I felt that they should be high for this important position, and I appointed the man recommended by the Civil Service Commission without regard to his political affiliations.

Based on this experience, it seems rather obvious to me that the only reason for throwing out current civil-service registers is to sabotage the merit system and resort to the spoils system rather than to follow the mandate of President Eisenhower that the only standard for such positions shall be merit, rather than political award.

But the Postmaster General did not stop here. He has notified Republican State advisors that even acting postmasters can be replaced. It will be noted that no consideration is to be given as to whether or not the acting postmaster is doing a good job. Isn't it inconsistent for the Post Office Department to state on one hand that its aim is more efficient postal service at less cost to the taxpayers and better employee morale, and then remove from office acting postmasters who are serving their communities well, in order to replace them with totally inexperienced men for a period of only a few weeks

until results of the new examinations are known.

I have also been reliably informed that the administration has instructed local Republican committees that no employee in the postal service will be promoted to a supervisory position upon the recommendation of a Democratic postmaster without approval of the Postmaster General who, in turn, will call on the local Republican political committee for approval. This is further indication that political reward, and not merit, will be the new standard in the Post Office Department.

The efficiency of the postal service can never be improved if political reward rather than merit of the individual is the criteria to be established for these positions. Much could be done to improve the Post Office Department and to cut down on the postal deficit. I have cherished the hope that the new Postmaster General would recommend an increase in second- and third-class postal rates covering special services performed by the Department, as recommended by the Hoover Commission. Because of services rendered the general public, the Post Office Department will always operate with a so-called deficit, but certainly the Post Office Department should not be used to subsidize certain select business operations.

If the Postmaster General is truly interested in efficiency and economy in his Department, he will direct his efforts toward correcting this faulty rate structure, rather than to spend taxpayers' dollars in order to repay political obligations by discarding civil-service registers established on the basis of merit and qualification.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

Mr. LANTAFF. I will not object to that, if I can have 5 minutes.

Mr. Speaker, in view of the large number of Members standing I ask unanimous consent to proceed for an additional 5 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I object.

(Mr. HAGEN of California (at the request of Mr. SPENCE) was given permission to extend his remarks at this point in the RECORD.)

Mr. HAGEN of California. Mr. Speaker, I would like to comment briefly on the observance of Mother's Day and the history of Mother's Day with recognition of the role that the Fraternal Order of Eagles has played in the establishment of this typically American observance.

The observance of Mother's Day by the American people is an apt commentary on the Christian spiritual base of our society. This magnificent Nation of ours is founded on the American family and the keystone of the American family is the American mother. So long as we preserve this reverence for the concept of home and family we are in no danger of succumbing to any form of totalitarianism.

We in America are justifiably proud of our institutions of public education and institutions of private education and mass methods of communication and enlightenment which we have encouraged by creating a climate wherein they can prosper and expand; however, the primary job of education and instruction remains with the family. This is particularly true with respect to those religious and ethical values which dictate the course of development of personality and idealism. The principal credit for the wide public observance of Mother's Day in this country and in other countries belongs to the Fraternal Order of Eagles, of which I am proud to be a member. The Fraternal Order of Eagles is another of the great American institutions which carry on our tradition of love of family and propagation of the moral and spiritual values which are a part of the American tradition.

The program for national observance of Mother's Day was initiated in 1904 by Frank Hering, a member of the Fraternal Order of Eagles. In that year he urged upon the membership and officers of this order that they observe 1 day each year in honor of mothers. The Eagles as an organization eagerly adopted the idea and sought to expand the observance outside the limits of their organization. As a result Congress recognized Mother's Day as a national holiday and the practice of special recognition of a day for tribute to and remembrance of mothers was unanimously adopted by the people of America.

The Fraternal Order of Eagles has often been commended for its roll in establishing the observance of Mother's Day. In 1930, Senator C. C. Dill, of the State of Washington, in an address referred to the activity of Mr. Hering and stated:

The Eagles throughout the country carried out the suggestion and it soon became a national institution. Americans owe Mr. Hering and this great fraternity a debt of gratitude which can only be repaid by a renewed reverence for mothers year by year.

By virtue of worthwhile activity of this character the Fraternal Order of Eagles has acquired a membership which has permitted it not only to exist as a solvent fraternal order but to expand its membership throughout the most difficult and trying times through which our great Nation has passed. In California on May 22, 23, and 24 the California Aerie of the Eagles will celebrate 50 years of existence at a golden anniversary in Fresno. That convention will be productive of recognition for the great work of this order and will be the birthplace of new activities in the American tradition which will be felt certainly in every community in California, and less directly in every community in the Nation. I commend the Fraternal Order of Eagles for its interest in furthering Americanism on this occasion of our last meeting prior to the observance of Mother's Day of 1953.

Mr. RAINS. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, the decline in the export market for United States agricultural commodities is one of the most perplex-

ing and serious problems facing our farmers. The amount of cotton, wheat, tobacco, and other farm products shipped abroad are down sharply from last year and all indications point to a continued slackened demand on the part of our foreign consumers. And a consequence of this contraction of a major market has been a sharp decline in price. Farmers are concerned, and rightfully so, over the outlook for the year ahead, particularly as the prices of the things they must buy to stay in business have shown no decrease.

Improvement in the export market is imperative. It is the key to continued prosperity for our farmers. From this pressing need has sprung a great variety of proposals—some costly and utopian in their scope and others reminiscent of Government-dominated trading which we in this country are most anxious to escape.

The bill under discussion today is not the cure-all for the agricultural export problem. The gentleman from Michigan [Mr. Wolcott] and the gentleman from Georgia [Mr. Brown] would be the last to claim for this proposed legislation a miraculous solution for the many problems besetting the farmers. But they do assert, and I agree, as do the members of the House Banking Committee who have made a study of the problem, that this bill offers an intelligent approach to one facet of this overall problem, namely, the granting of onshore war-risk insurance on American-made commodities shipped abroad for sale. To me, this bill offers an opportunity to private industry to help itself increase exports and thus strengthen generally the position of agriculture.

Briefly stated, the objective of the legislation is to set up a privately financed insurance program against presently uninsurable losses through war, seizure, expropriation, and other unusual acts over which neither the farmers nor exporters of this country have any control. The insurance would be written by private firms with the Export-Import Bank given authority to reinsure the risks up to \$100 million. Experts are of the opinion that under normal conditions the insurance program should not cost the Government one cent; the premiums charged should be sufficient to cover all costs.

How could an insurance program of this type facilitate and stimulate exports of agricultural commodities? This can best be illustrated by using cotton as an example, because the peculiar circumstances surrounding world trade in cotton are best adaptable to the terms of the legislation.

First, it would help foreign mills rebuild their stocks of cotton to safe and efficient levels. At the present time, the pipeline of cotton is about 1 million bales below normal, a condition which our foreign customers are powerless, to a great extent, to meet. Foreign spinners do not have the dollars with which to buy the American cotton, credit is difficult to obtain and when available is too costly. Also, the spinners are fearful of building up stocks on their own because they cannot hedge on the

future market against possible price declines and they cannot afford risking large inventory losses. American cotton exporters are anxious to take the responsibility for rebuilding the depleted stocks; they are handicapped by the lack of an adequate insurance against so-called political risks. Given the proper insurance for which they are willing to pay reasonable and adequate premiums, the shippers, in cooperation with banks, can ship the needed cotton abroad, thus relieving the foreign buyers of the necessity of further depleting their supply of dollars and the Mutuál Security Agency of a share of its problems.

Second, properly insured against political risks, cotton could be stored in ports abroad for use by foreign spinners as they need it. Also foreign spinners could select the grade and quality they desire, placing American cotton in a decided competitive advantage since growths of other countries are not afforded equal protection. The net effect will be to increase consumption of American cotton, particularly by mills operating on a day-to-day basis.

Third, the insurance program will enable American cotton shippers to sell on deferred terms or cash on arrival. This also will strengthen the competitive position of American cotton over other growths. Foreign mills will not have to use their operating capital, or arrange costly credit, to pay for cotton in advance of shipment as is now the case. This will, in effect, offset to some degree the price advantage enjoyed by foreign growths.

The impressive fact about the committee hearings on the bill is that it attracted almost unanimous support. The Administration strongly endorsed it as fitting perfectly into its efforts to promote free world trade and lessen the demand for economic aid. Cotton shippers and the banks which finance the shippers convincingly demonstrated that the lack of an adequate onshore war risk insurance program is limiting their efforts to step up sales abroad. The cotton farmer endorsed the bill as the most logical plan advanced thus far to increase the foreign market for his product. Furthermore, I am convinced this legislation would be fair to all groups in the cotton export business. In fact, it would definitely help the smaller firms, because with the insurance behind them, the smaller firms can secure the necessary financing, now denied to them, to sell on a cash on arrival basis, or to store cotton abroad, placing them in a better competitive position with the larger firms.

This is a bill which deserves speedy passage by the Congress.

Mr. GROSS. Mr. Speaker, I move to strike out the last word and ask unanimous consent to speak for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa is recognized for 10 minutes.

Mr. GROSS. Mr. Speaker, now that all the political woes of the country have been settled, I think we should get back to the bill before us and which authorizes the establishment of a fund of \$100 million—no small amount—for the alleged purpose of indemnifying exporters who in their dealings with so-called friendly foreign countries may suffer loss or damage as a result of civil war, revolution, rebellion, insurrection, civil strife, or expropriation, which means nationalization.

Which are the friendly nations we are going to deal with under the terms of this bill? No one seems to have an answer. Is it Argentina? Is it Yugoslavia? Is it Spain? In each of those countries there is a dictator who on 15 minutes' notice could confiscate or expropriate the property which you propose here to indemnify to the extent of \$100 million.

Why is this sort of bill necessary? The gentleman from Georgia [Mr. Brown], speaking a few minutes ago, said we suffer no loss in this bill unless we have an all-out war. I do not think he means that precisely—that the only occasion by which we can suffer a loss under this bill would be from all-out war. I say again that any of these dictators could confiscate or expropriate anything shipped to their countries.

Why the need for this bill? We have spent some \$120 billion upon our so-called friends since 1940, yet we have no favorable climate for private investment; we have no favorable climate for foreign trade among these so-called friendly nations. Let me cite to you for just a moment the February issue of what is known as the Guaranty Survey, published by the Guaranty Trust Co. of New York—no small crossroads bank but a bank with assets of \$3,149,000,000, and which has branch banks in London, Paris, Brussels, and perhaps other places in Europe. What does the Guaranty Trust Co., through the Guaranty Survey, its publication, say about foreign investments in its February issue?

Listen to what it says:

The outlook for the economic development of the free world has received a serious setback at the hands of the United Nations, an organization that has not only professed to favor such development but in some ways has gone to considerable lengths to promote it.

By an overwhelming majority the U. N. General Assembly has adopted a resolution approving the nationalization of economic resources by member states. The resolution does not contain a word in defense of private enterprise.

Remember, this resolution was passed by the U. N. only a few months ago. The United States delegation voted against it, but it passed anyway, and so we are stuck with it. Now the Guaranty survey continues:

It does not mention the rights of private investors who have risked their savings in the development of such resources. It says nothing about the sanctity of contracts or the long-established principles of international law. It deprecates any action by a member state to uphold the rights of its nationals against the confiscation of investments made in good faith.

If this resolution reflects prevailing views of business morality and the rights and needs

of free peoples, the prospects for industrial progress and higher standards of living in underdeveloped nations through investment of private capital are dim.

The [U. N.] resolution as drawn up by the Economic and Financial Committee declared:

"The General Assembly * * * remembering that the right of peoples freely to use and exploit their natural wealth and resources is inherent in their sovereignty and is in accordance with the purposes and principles of the Charter of the United Nations; recommends all member states, in the exercise of their right freely to use and exploit their natural wealth and resources wherever deemed desirable by them for their own progress and economic development, to have due regard, consistently with their sovereignty, to the need for the maintenance of mutual confidence and economic cooperation among nations; recommends further all member states to refrain from acts, direct or indirect, designed to impede the exercise of the sovereignty of any state over its natural resources."

Continuing, the Guaranty Trust Co. says:

The resolution is objectionable for what it omits as much as for what it contains. No one questions the right of a sovereign state to take private property for public use.

Capital flows to borrowers with acceptable credit standing. Investors require a fair opportunity to earn a profit, and the right to bring the profit home. They must be able to liquidate their investments in case such a course becomes necessary. They need a politico-economic climate in which contracts are performed and private rights are respected.

There is no such climate despite all the billions of dollars extracted from American taxpayers for so-called foreign aid. Let us read further in reference to American investors:

They are prepared to incur the ordinary risks of business enterprise, but not such political hazards as confiscation, arbitrary exchange rates and restrictions, and other ruinous measures completely beyond their control and foresight. Lip service to "the need for maintaining the flow of capital in conditions of security, of mutual confidence and economic cooperation among nations" is not enough. What is needed is explicit and unconditional assurance against governmental policies that contravene long-accepted standards of honesty and fair dealing.

That is what we should insist on in connection with foreign trade. Please absorb this additional paragraph by the Guaranty Trust Co.:

It is an understatement to say that the United Nations resolution gives no such assurance. On the contrary, its effect must be to make worse an international investment climate that is already bad. The chief victims of this ill-advised action will be the economically retarded countries that voted for it. These are the countries that most need foreign capital but that seem ready, in some cases at least, to commit economic suicide rather than admit it on fair terms.

Mr. Speaker, I say that this bill is loosely worded; that we are embarking here upon something that can come back to haunt us in setting up a fund of \$100 million to in effect subsidize exporters.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I might call the attention of the gentleman to the fact that as I understand it he is reading from the monthly letter of the Guaranty Trust Co.?

Mr. GROSS. That is right.

Mr. WOLCOTT. In opposition to this bill?

Mr. GROSS. No, in opposition to a resolution by the United Nations General Assembly.

Mr. WOLCOTT. I thought the gentleman was speaking in opposition to the bill.

Mr. GROSS. I am speaking in opposition to this bill and citing the reasons why apparently this legislation is brought in. That is, because there is an unfriendly climate abroad. I am trying to point out that there is no favorable climate for foreign investments and no favorable climate for the acceptance of our goods in foreign trade.

Mr. WOLCOTT. I should like to call attention to the fact that William A. McGregor, vice president of the Guaranty Trust Co. of New York, appearing in behalf of H. R. 4465, said that he thought it would stimulate the export of certain American products, cotton being one of the most important items.

Mr. GROSS. I repeat to the gentleman that I did not say that the Guaranty Trust Co. was opposed to this particular bill. It is opposed to the adoption of a resolution in the United Nations General Assembly which says in effect, that the foreign countries which voted for this resolution in the General Assembly have the right to confiscate or expropriate property, which includes, perhaps, plants that we build and finance in those foreign countries, and an apparently unlimited variety of export goods. In view of the material which I have quoted from the Guaranty Trust Co., it seems inconceivable that the company's president would testify in favor of such a bill as this, unless the measure is looked upon as a program to guarantee bank loans made to exporters.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. WOLCOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 222 was laid on the table.

EXTENSION OF THE EXPORT CONTROL ACT OF 1949

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4882) to provide for continuation of authority for regulation of exports, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the Export Control Act of 1949 (63 Stat. 7), as amended by Public Law 33, 82d Congress (65 Stat. 43), is hereby amended by striking out "1953" and inserting in lieu thereof "1956."

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill extends the Export Control Act of 1949 for 3 years. I think the report speaks pretty well for itself. We have had export controls since about 1940, and they have been used primarily to protect the domestic economy from excessive drains of scarce commodities and safeguard the national security insofar as it might be adversely affected by exports of strategic commodities, and to further our foreign policy. I think this program is so well known that further explanation is not required.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. GROSS. Congress has been extending this act for 1 year. I believe this extends it for 3 years; is that right?

Mr. WOLCOTT. That is right. We have extended it for 2 years on occasion.

Mr. GROSS. Why the 3-year extension, if I may ask?

Mr. WOLCOTT. I think that they justified the 3-year extension, because it authorizes the exporters to plan further into the future. As a matter of fact, they wanted a 5-year extension. It has been the impression that if we are going to take up the slack when and if there is any cut-back in defense production, we will take up that slack through the production of heavy and light consumer goods, many of which will be exported.

In order to give industry an opportunity to plan their marketing, to bring it into line with their proposed planning of production, the 3-year period is suggested. Also, the authority contained in the bill should be continued for security purposes.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from West Virginia.

Mr. BAILEY. I had the pleasure of listening to a part of the testimony of the president of the National Grange before the Committee on Ways and Means this morning. He was complaining there that the plight of agriculture that has developed over the past few months is to a certain extent attributable to the program of licensing of exports, and he mentioned as an illustration the fact that they had an opportunity to sell rice abroad but under this export licensing plan they could not even sell it abroad. Will the gentleman explain that?

Mr. WOLCOTT. Yes. We all know the president of the National Grange, Mr. Housmann, as a good American. He would not intentionally sell agricultural commodities to feed the armies of our enemies. He would not consciously sell rice to the North Koreans or the Chinese

Reds. This bill makes it possible to prevent that. Of course, we all have to recognize the fact that through some bootlegging process perhaps some rice and some other commodities get to our enemies, but this is a program which prevents the flow of goods to our unfriendly nations, we might put it that way. It has been recognized as a very efficient and very effective program to prevent the movement of American goods into unfriendly hands. The export control program also permits us to channel goods which are in short supply to our friends abroad.

Mr. BAILEY. I thank the gentleman from Michigan. I was asking for information and I got it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman feel under the present law the Secretary of Commerce is compelled to go too often on too much of a bended knee to the Secretary of State to make the export program of the United States conform to foreign policies?

Mr. WOLCOTT. Under a republic there must be a coordination of thinking, there must be a coordination of action. Under our system of government as I understand it, the President is the coordinator over the different executive departments of the Government. Of course we might expect that there will be consultation among all of the departments of the Government in respect to policy, the President himself being the coordinator of those policies. So if the President suggests to the Secretary of Commerce that the Secretary of Commerce consult with the State Department, or the Department of Agriculture, that is up to him in the process of coordinating the program.

Mr. GROSS. I think our export program ought to be based on what is good for Americans and not what is good for foreigners.

Mr. WOLCOTT. It surely is not good for Americans to be channeling these American products into enemy hands, and that is what this program seeks to prevent.

Mr. GROSS. I heartily agree with the gentleman.

Mr. WOLCOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 224 was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1739) to provide for continuation of authority for regulation of exports, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. HALLECK). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the Export Control Act of 1949 (63 Stat. 7), as

amended by Public Law 33, 82d Congress (65 Stat. 43), is hereby amended by striking out "1953" and inserting in lieu thereof "1954."

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause of the bill S. 1739 and insert the provisions of the bill, H. R. 4882, as agreed to, as follows: "That section 12 of the Export Control Act of 1949 (63 Stat. 7), as amended by Public Law 33, 82d Congress (65 Stat. 43), is hereby amended by striking out '1953' and inserting in lieu thereof '1956'."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings by which the bill, H. R. 4882, was passed were vacated and that bill laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bills H. R. 4882 and H. R. 4465.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. HILL asked and was given permission to address the House for 45 minutes on Monday, May 18, following the legislative business of the day and any special orders heretofore entered.

Mr. REES of Kansas asked and was given permission to address the House for 10 minutes on Monday, following the legislative business of the day and any special orders heretofore entered.

ADJOURNMENT OVER

Mr. ARENDS. Mr. Speaker, I ask unanimous consent when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BAILEY asked and was given permission to address the House for 10 minutes on Monday next, following the legislative business of the day and any special orders heretofore entered.

APPROPRIATIONS FOR VETERANS' ADMINISTRATION

Mr. PHILLIPS. Mr. Speaker, I have a request which I think might properly be made as a point of personal privilege, but I do not want to do that. I would like, if I might, to speak for 10 minutes or less on the subject right now because I have an appointment downtown at the Bureau of the Budget, which would prohibit me from waiting until all the special orders are concluded. I dislike to do this, Mr. Speaker, but the matter is of some urgency.

The SPEAKER pro tempore. Permit the Chair to inquire of the gentleman from Texas [Mr. PATMAN] if he has any objection to the request of the gentleman from California?

Mr. PATMAN. I gladly yield to the gentleman at this time, Mr. Speaker.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for not over 10 minutes, and probably not over 5 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I want to express my appreciation to the gentleman from Texas [Mr. PATMAN]. This is a matter, which I think should be brought up today, and I hope sometime I may be able to reciprocate the favor. When I picked up the RECORD this morning, Mr. Speaker, I discovered on page A2555, a statement inserted by my friend, another gentleman from Texas [Mr. TEAGUE], under the heading, "Hon. JOHN PHILLIPS Does Not State the Facts." I think the heading is a little rough, if I may say so, Mr. Speaker, but I am not raising that point at issue. It is sort of like saying to a man with deep religious convictions that he is a heretic, or saying to a man with great pride in his dog that the dog would not win the Westminster dog show, when you say to a man who has dealt for the last 30 years in figures, and who is careful about figures, that he does not state facts.

I think perhaps the gentleman from Texas [Mr. TEAGUE] himself will want to change that heading, and I think perhaps he will want to conform to the rules of the House and not make the personal references which appear in the article.

But let us get to the facts, which is what I want to talk about now.

The gentleman from Texas [Mr. TEAGUE] and I have been on the same side of the question of waste in the Veterans' Administration for many years. As far as I know, we have always been on the same side; and as far as I know, we are on the same side now. In fact, the curious thing about this whole discussion is the very little difference between those of us, who seem to be in an argument on the subject.

Yesterday afternoon several very able representatives of the DAV were in my office and handed me a list of recommendations which had just been made by the national commander of the DAV to the President of the United States. If those had been taken out of the statements I made on the floor on April 1, 2, and subsequent days, they could not have been more alike. If I had written them myself, or any member of the Ap-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 13, 1953

For actions of May 11-12, 1953

83rd-1st, Nos. 85
and 86

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committees reported: 1st independent offices appropriation, farm bankruptcy, Extension Service consolidation, and Mexican farm-labor bills. Sens. Kerr, Morse and others criticized USDA for increased interest rates on price-support loans, falling farm prices, etc. Senate debated temporary economic-controls bill. Senate committee adopted motion to include Alaska in Hawaii statehood bill. House took final congressional action on export-insurance bill.

HOUSE - May 11

1. RESEARCH. The Interstate and Foreign Commerce Committee reported with amendment H.R. 4689, to Amend the National Science Foundation Act of 1950 (H. Rept. 374) (p. 4906).
2. EXPORT INSURANCE. Concurred in Senate amendment on H.R. 4465, to amend the Export-Import Bank Act to insure exported cotton and other products against war risk. This bill will now be sent to the President. (p. 4906).
3. CHEESE. Rep. Harrison spoke on the swiss cheese produced in Wyoming (p. 4907).
4. FOREIGN TRADE. Rep. Eberharter spoke against the Simpson bill, H.R. 4294, to extend the reciprocal trade agreements authority, stating that "it seeks to insure a complete abandonment of our reciprocal trade agreements program as we have known it" (pp. 4909-11).
5. FARM CREDIT. Rep. Patman urged the support of Government bonds at par, and inserted a Senate Resolution on this subject discussing the danger of increased interest rates to the farm program (p. 4908-09).
6. FLOOD CONTROL. Received a Kansas Food Dealers Association petition urging the building of ample flood protection (p. 4914).

HOUSE - May 12

7. FOREIGN AFFAIRS. Received the Foreign Affairs Committee report of the Special Study Mission to Pakistan, India, Thailand and Indochina (H. Rept. 412) (p. 4988).
8. SUBMERGED LANDS. The Judiciary Committee reported without amendment H.R. 5134, to amend the Submerged Lands Act (H. Rept. 413). The House Rules Committee reported a rule for 2 hours of debate on this bill, and one providing for House agreement to Senate amendments to H.R. 4198, the submerged lands bill (p. 4988).
9. DEFENSE PRODUCTION. The Banking and Currency Committee announced tentatively that hearings would begin on Wed., May 20, on the extension of the Defense Production Act (p. D397).

SENATE - May 12

10. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 4663, 1st independent offices appropriations bill, 1954 (S. Rept. 237) (p. 4918). Sen. Taft said, "I think I can assure the Senator Saltonstall that the appropriation bill can be handled on Thursday" (p. 4919).
The Rules and Administration Committee reported with amendment S. Con. Res. 8, providing for a consolidated general appropriation bill (S. Rept. 267). Sen. Hayden was granted permission to file individual views on this measure (p. 4919).
11. EXTENSION SERVICE. The Agriculture and Forestry Committee reported without amendment S. 1679, to consolidate Extension Service authorizations (S. Rept. 266) (p. 4919).
12. FARM LABOR. The Agriculture and Forestry Committee reported with amendments H.R. 3480, to extend for 3 years the availability of Mexican farm labor (S. Rept. 264) (p. 4919).
13. FARM BANKRUPTCY. The Judiciary Committee reported with amendments S. 25, to amend the Bankruptcy Act so as to provide for farmer-debtor relief (S. Rept. 265) (p. 4919).
14. FLOOD CONTROL. The Public Works Committee reported with amendments S. 261, granting consent and approval of Congress to the Connecticut River Flood Control Compact (S. Rept. 236) (p. 4918).
15. FLAG. The Judiciary Committee reported with amendments S. 694, to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the U. S. flag, except under specified circumstances (S. Rept. 258) (p. 4918).
16. STATEHOOD. The Interior and Insular Affairs Committee adopted by an 8 to 7 vote, an Anderson amendment to H. R. 3575, incorporating S. 50, granting statehood to Alaska, into the Hawaii statehood bill (p. D394-5).
17. ECONOMIC CONTROLS. Began debate on S. 1081, providing for temporary economic controls (pp. 4922-56).
18. INTEREST RATES; FARM PRICES. Sens. Kerr, Morse and others criticized USDA for increasing interest rates on price-support loans, and falling farm prices, and the Export-Import Bank for increasing interest rates on export commodity loans (pp. 4956-64).



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of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 83^d CONGRESS, FIRST SESSION

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WASHINGTON, MONDAY, MAY 11, 1953

No. 85

Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, May 12, 1953, at 12 o'clock meridian.

House of Representatives

MONDAY, MAY 11, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art our Father and Mother—God, we thank Thee for yesterday, that blessed day of lofty and worthy sentiment in the calendar of the church and state called "Mother's Day."

We rejoice that we again had the high and holy privilege of rendering tribute and honor to our mothers whose relationship to us is unlike that of any tie which binds us to our fellow men.

May our hearts continue to go out to Thee in gratitude for the vast host of noble and God-fearing mothers who are safeguarding the home against those evil forces which threaten its stability, its security, and its sanctity.

Grant that our annual observance of Mother's Day may inspire us with a prayerful longing to make every heart and home in our beloved country a sacred shrine and sanctuary of faith, peace, and love.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, May 7, 1953, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4465. An act to amend the Export-Import Bank Act of 1945, as amended.

The message also announced that the Senate had passed bills of the following

titles, in which the concurrence of the House is requested:

S. 15. An act to provide for the appointment of additional circuit and district judges, and for other purposes; and

S. 922. An act to provide for a commission to regulate the public transportation of passengers by motor vehicle and street railroad within the metropolitan area of Washington, D. C.

COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file any reports or resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ALLEN of Illinois asked and was given permission to address the House for 1 minute.)

Mr. ALLEN of Illinois. Mr. Speaker, I hope that the Committee on Rules can meet this afternoon to report a rule regarding the tidelands bill, but in the event that they are unable to do so, the tidelands bill will not be brought up tomorrow. But there are two bills which can be brought up. Rules have been reported on them. One is on the bill (H. R. 4605) to amend section 10 of the Federal Reserve Act.

The SPEAKER. Will the gentleman yield for an observation by the Chair?

Mr. ALLEN of Illinois. Yes, Mr. Speaker.

The SPEAKER. The Chair is informed that the gentleman from Michigan [Mr. Wolcott] may not be able to go on with that bill tomorrow.

Mr. ALLEN of Illinois. Then, Mr. Speaker, the other bill which can be taken up for consideration is the doctors' draft bill. That is, in the event that a rule is not reported on the tidelands oil bill this afternoon.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. Con. Res. 73) favoring the granting of the status of permanent residence to certain aliens, together with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Page 2, strike out line 10.
Page 3, strike out line 12.
Page 5, strike out lines 5 and 6.
Page 7, strike out line 4.
Page 7, strike out line 22.
Page 10, strike out line 4.
Page 11, strike out line 6.
Page 12, strike out line 24.
Page 14, after line 3, insert:
"A-7141334, Mandukich, Svetozar Kosta."
Page 14, after line 3, insert:
"A-7141335, Mandukich, Kosara."
Page 14, after line 3, insert:
"A-7141336, Mandukich, Ivan."
Page 14, after line 3, insert:
"A-7190619, Tao, Hsiang Hsia or Albert H. Tao."
Page 14, after line 3, insert:
"A-6370112, Ling, James Gi-Ming."
Page 14, after line 3, insert:
"A-6289221, Sopko, Frantisek (Frantisch) or Frank John Sopko."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALTER. Mr. Speaker, reserving the right to object, is the effect of these amendments to delete the names of people who were approved, and the substitution of other names?

Mr. GRAHAM. That is correct. Eight names were stricken off and six are added.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to and a motion to reconsider was laid on the table.

JAMES RENNICK MOFFETT

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the table the bill (H. R. 731) for the relief of James Rennick Moffett, with Senate amendments, and concur in the Senate Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 5, strike out "Rennick" and insert "Renwick."

Amend the title so as to read: "An act for the relief of James Renwick Moffett."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were agreed to and a motion to reconsider was laid on the table.

CONCURRENT RESOLUTION FAVORING GRANTING OF THE STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. Con. Res. 29) favoring the granting of the status of permanent residence to certain aliens, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and appoints the following conferees: Mr. GRAHAM, Miss THOMPSON of Michigan, and Mr. WALTER.

TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4465) to amend the Export-Import Bank Act of 1945, as amended, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 5, strike out "in transit to or."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was agreed to and a motion to reconsider was laid on the table.

NURSING: AN ESSENTIAL PUBLIC SERVICE

(Mrs. BOLTON of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOLTON of Ohio. Mr. Speaker, on May 3 I was privileged to celebrate National Hospital Day at the great Veterans' Administration hospital in Chillicothe, Ohio. I wish it were possible for me to paint so vivid a picture of it all that each Member of this House would feel he—and she—had been there in person. The celebration was under the auspices of the American Legion. All the forces had set up unusually interesting exhibits for everyone to see. Even the Lucky Lady was there—showing herself and her air cruising lines off to good advantage. Eight bands participated in the parade in which the various services marched—as did nurses, aides, volunteers, and so forth. A few historical floats added to the interest of guests and patients alike. Drill teams and drum corps performed on the athletic field where the main commemorative program was held before 23,000 people.

It was a very satisfying experience to me to speak to this great audience on the theme of Nursing: An Essential Public Service.

It is my purpose, Mr. Speaker, to report to this House my impressions of this great veterans' hospital as well as of the veterans' facility at Tuskegee, Ala., which I visited during the days I spent at the spring meeting of the board of trustees of Tuskegee Institute of which I am a member, so at this moment, Mr. Speaker, I will ask only for unanimous consent to include herewith my remarks at Chillicothe:

It is indeed a delightful privilege to come to Chillicothe, once Ohio's capitol, to celebrate National Hospital Day in this great veterans' facility. Chillicothe has played a vital part many times in the building of our State and of our Nation.

Only this spring, you here and we on Capitol Hill reenacted the famous November 1802 ride of Thomas Worthington to bring to the President of the United States copies of the newly adopted Ohio State constitution. I wish you might have been on the steps of the Capitol as Mr. George Murphy and Mr. Don Strausburgh, in all the picturesque costumes of other days, brought their weary horses to a halt and gave over copies of the old documents. Not only did this bring history before our eyes, but it brought you fine people of Chillicothe close to our hearts.

My thoughts flew back to the first world war in the teen-age years of this century when Chillicothe was a training center for Ohio troops. Clevelanders will long remember the wonderful hospitality given the members of our National Guard cavalry, the famous Black Horse Troop. They and their families bless you to this day.

And now you have this great veterans' hospital here. What a place it is. I remember well when it was opened on part of the site of Camp Sherman in 1924. I believe there were less than 500 beds then for neuropsychiatric patients. Bit by bit, new buildings have been added as the patient load has increased—until now you have a capacity for some 2,000. And I assure you that I can well understand how Dr. Botts feels impelled to stretch the space to its utmost. Having talked with the good doctor, I can readily see how his intense desire

to give every veteran po
renew himself, helps him

He is a fortunate man to
hand a chief nurse of the
experience that Florence H.
with her. Miss Hennessey,
were ways to multiply you a

Before I left Washington I
Dorothy Wheeler, long head of the
Administration Nursing Service, w
employs 14,023 registered nurses
helped in thousands of ways by
thousands of auxiliary personnel—pr
nurses, clerical workers, aids, both paid
unpaid, and volunteers of every sort an
kind. We have worked together for many
years, Miss Wheeler and I, and I want to
take this opportunity to tell everyone within
the sound of my voice about the work she
has done to raise the nursing standards in
our veterans' hospitals, to make available to
affiliated groups of student nurses experi
ence in psychiatry and tuberculosis. At the
moment she is initiating field instruction
to graduate nurses on an experimental basis,
another instance in which she is making
her splendid Department of Nursing more
and more a credit to the Veterans' Admin
istration, increasing service to the men whose
need is so very great, while at the same
time doing its bit in the general problem
of nurse training.

Before I discuss nursing itself, I really
must speak for a moment of one phase
of every veteran's facility that is often too
little recognized; the voluntary services
awards this morning. Every sort and kind
of welfare, religious, civic and veterans' or
ganization is represented on the rolls. Do
you realize that more than 80,000 men and
women are giving themselves in such meas
ure as they can to this work? I was thrilled
as I read Miss Wheeler's report and found
that over 300 organizations are contributing
an average of 400,000 hours of voluntary serv
ice a month to the patients in the 161 vet
erans' hospitals across the country.

Right here at this great hospital under
the supervision of the paid professional staff
and the inspired leadership of Eveline Wil
liams, men and women from the surround
ing community through some 40 organiza
tions have made themselves a part of a
nationwide program dedicated to the men
and women disabled in war service to this
great free country of ours. Every depart
ment of the hospital benefits from their
consecrated activities. Every veteran is re
minded daily that America cares. Where
else but here would thousands of men and
women of their own free will and desire,
with no compulsion but that of their own
hearts, give themselves to such work? Sure
ly this is but one more way that freedom
rings out its song of service to all mankind.

I am sure I speak for Miss Hennessey and
for Dr. Botts when I say to you that the
hundreds of you, who give yourselves so un
stintingly, so heartfully, to this great hos
pital, bring to the professional staffs a con
stant renewal of courage for the task no
matter how difficult some of the problems
appear. Surely no veteran whom you con
tact could be anything less than certain
that the people of America care, not in fits
and starts, but steadily, all the time.

It is fitting that on this hospital day we
should do homage to that amazing woman
whose 133d birthday falls on May 15—Flo
rence Nightingale.

Born in Florence, Italy, in 1820, she was
educated in England and in Paris. From her
childhood on, she was on fire to do some
thing about it all. She wrote a friend, "I
would far rather than establish a religious
order, open a career, highly paid."

You know that she gave herself to a health
crusade, advising on ventilation, drainage,
disinfectants, and general cleanliness, the
kind of things we today call public health.
I but remind you she was first to demon
strate dramatically that nursing is an es
sential public service.

Public Law 30 - 83d Congress
Chapter 64 - 1st Session
H. R. 4465

AN ACT

All 67 Stat. 28.

To amend the Export-Import Bank Act of 1945, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Export-Import Bank Act of 1945, as amended, is hereby amended by inserting the following as subsection (c):

“(c) (1) The Export-Import Bank of Washington is further authorized, in the manner and to the extent herein specified, to provide insurance in an aggregate amount not in excess of \$100,000,000 outstanding at any one time for the benefit of citizens of the United States, including corporations, partnerships, and associations organized and existing under the laws of the United States or any State, district, Territory, or possession thereof, against the risks of loss of or damage to tangible personal property of United States origin which is exported from the United States in commercial intercourse and is located in any friendly foreign country, to the extent that such loss or damage results from hostile or warlike action in time of peace or war, including civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or from an order of any government or public authority confiscating, expropriating or requisitioning such property and to the extent that such property is owned in whole or in part by the assured or constitutes security for financial obligations owed to the assured.

“(2) Insurance may be provided pursuant to this subsection only to the extent that it cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in any State of the United States and to the extent that it cannot be obtained from any agency of the United States Government providing marine or air war-risk insurance.

“(3) In providing insurance pursuant to this subsection, the Bank may reinsure in whole or in part any company authorized to do an insurance business in any State of the United States or may employ any such company or group of companies to act as its underwriting agent in the issuance of such insurance and the adjustment of claims arising thereunder.

“(4) Subject to the limitations herein provided, the Bank shall from time to time determine the terms and conditions under which it will provide insurance pursuant to this subsection: *Provided, however,* That such insurance shall be based, insofar as practicable, upon consideration of the risk involved: *And provided further,* That the term of coverage of any such insurance shall not exceed one year, subject to renewal or extension from time to time for periods of not exceeding one year as may be determined by the Bank.”

SEC. 2. Section 7 of the Export-Import Bank Act of 1945, as amended, is amended by substituting in lieu of the words “loans and guaranties” the words “loans, guaranties, and insurance”.

Approved May 21, 1953.

